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New President Pledges Reform and Democracy

But There Are 2 Visions of How to Change

By Nicholas D. Kristof New York Times Service

JAKARTA - Two images in the Indonesian kaleidoscope capture the tug-of-war whose outcome will define this country for years or decades to

Pulling at one end of the rope, so to speak, was an angry protest leader shouting into the microphone at an outside rally Thursday, demanding that the new president, B. J. Habibie, be ousted and that former President Suharto be

To show his seriousness, the protester then shaved his head with electric clippers and announced to thunderous applause: "I will keep my head shaved until Suharto is hanged!"

The other image comes from the other end of the rope; General Wiranto, the armed forces commander, all starch and

backbone and crisp authority, stepping to a microphone on Thurs-ANALYSIS day morning and declaring that the armed forces endorse the presidency of Mr. Habibie and will pro-

tect Mr. Suharto and his family.
Mr. Suharto's resignation Thursday
morning was a landmark in modern Asian history, perhaps marking the end of the era of strongman rule that prevailed in the region during the Cold

tlefield for competing visions of the

Fundamentally, one side wants to change the entire system, while the other prefers to keep the system but substitute a new face — Mr. Habibie's — in the presidential portraits that seem to

hang on every wall. This struggle, over whether to pre-serve Mr. Suharto's system even after jettisoning Mr. Suharto himself, will affect not only Indonesia but also the many other countries in the region.

The university students see Mr.

portunity to institute a much more See VISIONS, Page 4

Suharto's downfall as a historic op-

And Habibie Is Faulted as Part of Old Order

By Seth Mydans
New York Times Service

JAKARTA - Indonesia's new president, B. J. Habibie, spoke to the nation for the first time on Thursday evening, outlining a program of reform, clean overnment and economic responsibility that addressed key criticisms leveled against his predecessor, Suharto, who resigned under pressure earlier in the

Sitting behind a large nameplate reading "President," Mr. Habibie said he had been "enormously impressed" by the accelerating popular movement for reform and by the struggle of student protesters, the vanguard of the oppo-

ition movement that brought down Mr. Suharto after 32 years in power.

Mr. Habibie, 61, who had been Mr. Suharto's vice president and loyal retainer, pledged to dedicate himself to reforms and democratization "in order to create a political atmosphere and clean governance free from corruption, collusion and nepotism and to create an economic life of more equitable op-

Government officials said Mr. Habibie was due to announce his cabinet lineup on Friday morning in the most crucial indicator of whether his government will break with the cronyism that made Mr. Suharto's governments so unpopular.

But many of the protesters who had demanded Mr. Suharto's resignation remained unsatisfied, calling Mr. Habibie a part of the old order who also had to go. There were calls for a special electoral assembly to nominate a new president. Some of the students who have occupied the Parliament building for four days, demanding Mr. Suharto's resignation, said they would not leave until Mr. Habibie, too, was removed.

Many political analysts voiced doubts that Mr. Habibie had either the background or the political clout to lead this huge and fractious country through its time of turmoil and predicted that he

See INDONESIA, Page 4

Ulster's Day to Decide 'Yes' or 'No' to Peace

Huge Turnouts Expected for Referendum

By T. R. Reid and Dan Balz

BELFAST — After decades of bombs, bullets and bitterness, the future of Northern Ireland will be put to the ballot Friday as voters decide whether they can accept an ambitious plan designed to rewrite history and

end the sectarian civil war. Huge turnouts were predicted in both the north and south as the people get their say on the proposed plan that would retain the current division of the island but establish political mechanisms that could eventually lead to a single nation of Ireland, with no British involvement,

The prime ministers of Britain and Ireland campaigned vigorously in the final hours for a "yes" vote, with a strong support from President Bill Clinton, who backed the proposal both in television interviews and open

letters to the Irish people. "This is the best chance in a lifetime for peace in Ireland," Prime Minister Tony Blair of Britain argued passionately Thursday.

But opponents contend that the plan would lead to more violence and would undernine the status of the pro-Britishi Protestant majority in Northern Ireland.

"This so-called peace proposal would mean the end of the union with Great Britain and leave us at the

Pushing for a ''yes''

vote in the peace

referendum, John

Hume arrived in a

thumbs-up mood

for a meeting with

Tony Blair. Just as

McCartney while he

streets of Northern

Ireland for a "no"

fervent was Bob

campaigned Thursday in the

vote.

mercy of terrorists," said Charles Mercer, a retired vicar who raises a British flag each morning atop his

home in Bangor.

The island is divided between the Republic of Ireland, an independent nation of 3.3 million, and Northern Ireland, a British province with a population of 1.6 million.

Adams gives 'yes' campaign an image problem. Page 6.

A significant, largely Roman Catholic, minority in the North wants the province to break with Britain and form one nation with the Republic. Protestant northerners want to retain political union with Britain.

political, not religious. Still, sectarian differences fueled mutual hatred that sparked into civil war in 1969. Priday marks the first time that the

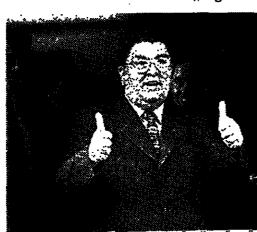
The debate here has been primarily

people have had a chance to make a choice at the ballot box. To become law, the plan needs majority approval from voters in both jurisdictions.

They will vote either "yes" or

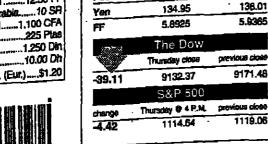
"no" on a 68-page plan that was settled on Good Friday, after two years of negotiations among eight Northern Ireland political parties and the governments of Ireland and Bri-

See IRELAND, Page 5





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The Dollar

1.7703

1.6333

Thursday @ 4 P.M.

1.6305



President Suharto saluting Thursday after he announced his resignation. At left is his eldest daughter, Tutut.

The Repercussions of Events in Jakarta

Suharto is the latest and most vivid sign of how the Asian financial crisis is changing the political landscape throughout the region. Page 4.

Mr. Suharto led his country from of corruption. • His successor, B. J. struggled with and then welcomed the

The resignation of President Habibie, who has a reputation as a news of President Suharto's resigbrilliant eccentric, has spent his career in the shadow of Mr. Suharto's nation. But analysts said could easily vanish. Page 4. patronage. Page 2.

The unrest in Jakarta has put the International Monetary Fund's resbeing a backwater to the brink of cue plan on hold. Page 2. Asian prosperity. But his legacy is also one stock and currency markets first

nation. But analysts said the gains

The Timorese Nobel Peace Prize laureate, Jose Ramos-Horta, predicted that anti-government protests would continue and that the new president, Mr. Habibie, would last only a few days in office. Page 2.

AGENDA

Student, 15, Goes on Shooting Spree in Oregon

SPRINGFIELD, Oregon (AP) — A day after being expelled for having a gun, a 15-year-old student returned to school with a semiautomatic rifle and with a semi

opened fire in the cafeteria Thursday, through the cafeteria firing his rifle. He killing at least one person and wound-was tackled by a student and arrested.

Saudi Nationals Were Dhahran Bombers				
KUWAIT (AFP) — Saudi Arabia's interior minister, Prince Nayef ibn Abdel Aziz, acknowledged for the first time Thursday that Saudi nationals	were behind the June 1996 bombing of a U.S. military base in the eastern city of Dhahran. He said the blast had been "carried out by Saudi hands."			

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itary base in the eastern city n. He said the blast had been out by Saudi hands."	

AMERICAS	Page 3
A Rebuke for Clinto	n's China Policy
EUROPE	Page 6
British Unions Get 1	abour Backing
Books	Page 9
Crossword	
Opinion	Pages 8-9
Sports	
The Intermarket	Page 7
The IHT on line	source ibt norm

Fragile Start For Successor As Army Still Plays Broker

By Michael Richardson International Herald Tribune

JAKARTA — Although Indonesia's vice president, B.J. Habibie, was named Thursday as the successor to President Suharto, the man who followed him to the microphone at the handover ceremony - the armed forces chief, General Wiranto - has emerged as the key power broker and may become the next president well before Mr. Habibie completes his term in 2003, analysts said.

While Mr. Suharto's departure was presented as a voluntary and statesmanlike gesture made in the national interest, officials and diplomats said he was forced to go after the military leadership told him he no longer had their support.

As maneuvering intensified to take control of the world's fourth most populous nation after the sudden end of Mr. Suharto's 32-year rule, the armed forces moved from the background to center stage as they did in the last succession crisis between 1965 and 1967 when they provided the muscle for Mr. Suharto, then an army general, to oust the country's founder, President Sukarno.

Speaking immediately after Mr. Habibie — a former cabinet minister and longtime friend of Mr. Suharto was sworn in, General Wiranto said that the military supported his accession.

But he did so in terms that did not preclude Mr. Habibie's replacement during a special session of Indonesia's highest constitutional body, the People's Consultative Assembly, which many of the politicians and students who successfully sought Mr. Subarto's resignation are demanding on the grounds that Mr. Habibie is too closely tied to the man he replaced.

"I don't think Habibie has much chance of lasting very long." said Bruce Gale, regional manager of the Singapore office of Political & Economic Risk Consultancy Ltd. "He is an interim president who is tainted by his association with Suharto and lacks the domestic or international support he must have to push through the political and economic reforms that are needed if Indonesia is to recover."

Juwono Sudarsono, the environment minister, said the military had withdrawn its support from Mr. Subarto on Wednesday amid an intensifying wave of student-led demonstrations in Jakarta and other cities demanding his resignation and a warning from the House of Rep-

See ARMY, Page 5

In Bulgaria, Students Bone Up on Pax Americana

By Joseph Fitchett International Herald Tribune

BLAGOEVGRAD, Bulgaria - They waited through the valedictorian's oration, through the honorary degree for a minor poet, through an address by a distinguished foreign ambassador, until finally the moment came when the provost pronounced them "Bachelors of Arts." Tasseled mortarboards were tossed into the air, only to be carefully retrieved for

family photographs. A graduation ceremony like so many others this month, this one came with a difference. The college is a U.S. implant in Bulgaria, the campus a seven-story steel-and-marble building.

Once the regional headquarters of the Bulgarian Communist Party, the building has become, as its concrete parapet proclaims in three-foot-high gilt letters in Cyrillic and in English, the "American University in Bulgaria."

AUBG - as the 600 students and 50 faculty call the school to differentiate it from AUB, the American University of Beirut — is a case study of how rewarding and how difficult it is to create a Westernstyle institution in Central Europe, where so many

dreams of post-Communist development have fizzled amid red tape, corruption and cultural rejection.

As it celebrates its fourth graduating class, AUBG is fast picking up recognition and accolades. "It is extraordinary how fast this university has caught on as an institution," said Avis Bohlen, the U.S. ambassador to Bulgaria.

Savina Velkova, a Sofia native who graduated in 1996 and stayed on as director of cultural events, puts it simply. At AUBG, she said, "You get more than a degree; you get a life.'

The university has had relatively mild teething pains. Local suspicions that Americans were starting a spy school had to be dispelled. Complaints have arisen from faculty members occasionally, apparently motivated by personal grievances.

Future funding is always a question. A current headache is the threatened tax on U.S. aid in Bulgaria, an outgrowth of a wider commercial dispute between Washington and Sofia. In the longer run, some U.S.based academics worry about the long-term prospects of maintaining genuine standards at an American

university operating in a politically volatile region. But by one important measure, AUBG has arrived: Bulgarian and other European executives are com-

peting to hire its graduates, who are seen as attractive because of the belief that their American-style education has equipped them well to operate in societies struggling to emerge from communism.

Out of a graduating class of nearly 200 in 1996, nearly half have jobs with employers ranging from the Bulgarian Investment Bank to the Big Five accounting firms to advertising agencies. Another 50 are doing graduate work, most of them at big public universities in the United States such as the University of Oklahoma. Entrepreneurial graduates in Sofia have sold an innovative database to Swiss dentists.

This record encourages AUBG's directors in their belief that they can create a new Westernized elite in the Balkans. In fact, by many standards, the student body is elite.

AUBG operates completely in English, part of its ambition to replicate a U.S. educational environment. One student in five comes from outside Bulgaria. Candidates need not bother applying unless their combined score on the Scholastic Aptitude Test, the standard U.S. university admission test, is near 1,200 out of a possible 1,400. That is at the high end of results

See UNIVERSITY, Page 5

Suharto's Legacy: **Progress and Graft**

He Led Nation to Brink of Prosperity

By William Branigin Washington Post Service

WASHINGTON — As Indonesia's strongman for the past 32 years, President Suharto marched his sprawling country from widespread poverty to the brink of relative prosperity. The years of steady economic growth seemed to justify the title the former army general bestowed on himself in the 1980s: the

"Father of Development." But the undeniable progress and the transformation of his capital from a Dutch colonial backwater into a bustling metropolis studded with gleaming high-rises left open the question of what more could have been achieved without the rampant corruption, monopolies, nepotism and crony capitalism that also marked his rule.

It was those failings that helped push Indonesia to the brink of economic collapse amid an Asian economic crisis and undermined Mr. Suharto's authority, ul-

What could have been achieved without the rampant corruption, monopolies, nepotism and crony capitalism that marked his rule?

timately forcing him to resign as president in the face of widespread protests, civil unrest and rioting.

And it was another shortcoming the failure to groom a viable successor - that still leaves him vulnerable as he turns over power to his hand-picked vice president, B.J. Habibie, a somewhat divisive figure who may be too close to Mr. Suharto to assuage the protesters for long.

For Mr. Suharto, who turns 77 next month, the end of a long political run comes barely two months after he began a seventh five-year term. He had hinted years ago that his previous term might be his last but, like many strongmen before him, he proved unwilling to walk away from power until forced to do so

by events beyond his control. Born in June 1921 to a poor farming family near the ancient town of Yogyakarta about 450 kilometers southeast of Jakarta, Mr. Suharto acquired little formal education but used an innate shrewdness and an ability to play rivals off one another to

begin his rise to political power. When Japan invaded and defeated Indonesia's Dutch rulers in World War II. Mr. Suharto seized the opportunity to strike a blow against colonialism. He became a battalion commander in the

Japan "self-defense corps." He used that foothold to become a areer army officer after Indonesia gained independence, but seemed destined for obscurity in the middle ranks of the armed forces. It was during that time that Mr. Suharto formed working relationships with ethnic Chinese businessmen — ties that led to fabulous wealth for Mr. Suharto and his coterie.

Behind his placid countenance beat a driving ambition, however, and he managed to rise through the army ranks to head the Strategic Reserve Command in Jakarta, a key unit that held the keys to the capital. A staunch anti-Communist. he used that command to crush a 1965 coup attempt attributed to Indonesia's pro-Chinese Communist Party.

The abortive coup, much of which remains shrouded in mystery to this day, prompted a military backlash against the 3 million-member party and resulted in the deaths of up to 1 million people, as soldiers and civilians vented their wrath against Indonesia's ethnic Chinese

minority and settled personal scores. Once the coup was crushed, Mr. Suharto assumed effective power from the father of Indonesian independence, the charismatic President Sukarno, in March 1966. He gradually eased Mr. Sukarno out, and formally succeeded him as president the following year.

Firmly entrenched in power, Mr. Suharto then launched his "New Order" program aimed at developing the country and putting Mr. Sukamo's anti-Western posture behind him. The outwardly pleasant and modest army vet-eran, known as Indonesia's "smiling general." inherited a country ravaged by poverty and dependence.

Well into the 1970s, more than 60 percent of the population lived in poverty, per-capita income hovered around \$70 a year and the country had the dubious distinction of being the world's largest rice importer.

Then came the oil boom. Indonesia, an oil producer and member of the Organization of Petroleum Exporting Countries, began to reap windfall profits with the steep rise in oil prices.

profits with the steep rise in oil prices. Money flowed into Mr. Suharto's development programs, but also into the pockets of his family and friends.

His administration managed to reduce the poverty rate to 15 percent by 1993 and nearly halved that to 8 percent before the latest economic crisis. Percents income rose to more than \$600 a capita income rose to more than \$600 a year and, adjusted to purchasing power, stood at more than \$3,000 annually before the crisis hit. Indonesia attained self-sufficiency in rice, its staple food, in 1984, a major goal for the son of Javanese farmers.

By the mid '90s, economic growth had averaged more than 6 percent annually for well over two decades, and billions of dollars in foreign investment was pouring in, Mr. Suharto was able to diversify the oil-based economy somewhat, and illiteracy, population growth and infant mortality all declined during his tenure, Mr. Suharto boasted.

At the same time, however, ostensibly charitable "foundations" established in Mr. Subarto's name - and exempt from audits and taxes --- were from Indonesia's 1.5 million-barrel-a-



B. J. Habibie being sworn in as the Indonesian president on Thursday in Jakarta, while a pensive former president, Suharto, closed his eves.

raking in fortunes estimated at up to \$3 billion by the early '90s. In addition, the regime allowed his six children to build a family financial empire worth billions more, largely through monopolies, sweetheart deals and control over an estimated 260 separate

Along the way, the nation of 200 million people and more than 13,000 islands accumulated an increasingly heavy foreign debt, a bloated bureaucracy of 4 million people and widespread underemployment estimated recently at more than 40 percent. Revenue

day oil production continued to fuel development, but endemic corruption

made it a high-cost economy. Among the major targets of the latest turmoil have been businesses owned by Mr. Suharto's children, who used their influence to penetrate practically every

sector of the economy.

While enriching his family and friends, Mr. Suharto also managed to hold together politically a diverse ar-chipelago spread across 5,000 kilometers. He often did this through brute force, crushing those who dared to assert autonomous demands and threaten the integrity of the nation.

Habibie Flourished In Shade of Patronage

A Reputation as a Brilliant Eccentric

By Seth Mydans Vew York Times Service

JAKARTA - One of President Suharto's last worries before deciding to step down as president was that his longtime friend and hand-picked vice president, B. J. Habibie, would not be up to the job he inherits, an associate of Mr. Habibie's said Thursday.

"They had a long meeting, and Habibic assured him he could handle it." said the associate.

Not everyone shares his confidence. Mr. Habibie, 61, former aeronautical engineer, is one of Mr. Suharto's longest-serving cabinet members, but he has spent most of his public career as minister of research and technology. taking little part in affairs of state.

He has a reputation as a brilliant eccentric, a man of grandiose ideas and expensive, often ill-conceived projects, fascinated by high technology in a nation of agriculture and primary indus-

He has never built a strong political base, secure in the patronage of the one man who counted. Mr. Suharto, who virtually adopted him as a boy of 13 and has enjoyed his company ever since.

Free to indulge his enthusiasms, he has made more enemies than friends. He has alienated many officers in the politically influential military by imposing expensive and unwanted procurement schemes. He is an odd man out among top Indonesian officials in that he has no military background. Both at home and abroad, Mr. Habibie is also mistrusted among economists and foreign investors for what they say are his unorthodox and sometimes wild-eyed the-

Mr. Habibie does have some influence among the country's Muslim majority as the director of an influential nationalist Muslim institute.

In the manner of a man who never intended to give up power, Mr. Suharto has never allowed a potential successor

to emerge and has changed his vice presidents with each of his seven fiveyear terms. Mr. Habibie has held the post for only two months, since the last election in mid-March. On the day Mr. Subarto made it clear in January that Mr. Habibie would be his choice for the job — at the height of the country's eco-nomic difficulties and its negotiations with the International Monetary Fund over economic policy — the Indonesian currency, the rupiah, crashed by 36 percent, to its lowest level since the crisis

began last summer. He had recently been in the news when the IMF insisted, as one of its requirements for the country's receipt of a \$40 billion rescue package, that the government withdraw funding from an expensive and money-losing aircraft: building project that was his brainchild His enthusiasms have also included shipbuilding.

Since assuming the vice presidential job, Mr. Habibie has acted as an emis-

As a part of the Suharto household from his teen years, Mr. Habibie liked to refer to his mentor as SGS, or Super Genius Suharto.

sary of the president to foreign capitals, though he did not succeed in his first mission, an attempt to win easier debtrepayment terms in Japan.

Bacharuddin Jusuf Habibie — who is commonly known by his initials but whose friends call him Rudy — was born on June 25, 1936, in South Salawesi, the third of four children, and began reading the Koran as a child.

His father died when he was 13 and his family moved to Bandung. where Mr. Suharto was posted as a military commander, and Mr. Habibie became part of the Suharto household.

The two men have remained close, and Mr. Habibie likes to refer to his mentor as SGS, or Super Genius Suharto. Within the government he has earned some resentment for his ability to ignore the president's busy schedule and burst into his office at any time, govemment officials say. "He regards me as his own parent," Mr. Suharto wrote in his biography. "He always seeks out my advice on the principles of life."

Mr. Habibie graduated from a local technical institute and won a scholarship to study in Germany, where he earned a doctorate in aeronautical engineering. He stayed on to work at a German aircraft plant until Mr. Suharto called him home in 1974 to be his technical consultant. His influence has grown since he became technology minister in 1978, and he has put forward unusual economic ideas including what he calls a "zig-zag theory" in which he advocates sharp fluctuations in interest rates. He has blamed inflation on high interest rates.

He is a man of great energy, many ideas and many projects, most prominently the state-owned aircraft man-ufacturer, IPTN, which has been struggling to develop a locally built passenger jet at a cost of \$2 billion.

It was widely viewed as one of many ill-advised enterprises handed out by Mr. Subarto to his family and friends. Although state support was cut off in last week's agreement with the IMF.
Mr. Suharto later said the project would
continue with private funding, though it,
was unclear where the money would come from given the country's economic problems.

A small man, he is described by associates as always being on the move; like a hummingbird. He is sometimes called "the busiest man in Indonesia" because of his many projects.

Asia

Resignation Puts IMF Plan on Hold

By Paul Blustein

WASHINGTON - It may seem mind-boggling, with the Indonesian government in turmoil and many buildings in Jakarta now in ruins, to recall how recently the U.S. government and the International Monetary Fund were betting that Indonesia's economy was finally positioned to recover from its economic crisis.

Just two and a half weeks ago, the IMF approved a \$1 billion installment in half the target value set under the most age, and officials from the Fund and the U.S. Treasury predicted that investor confidence would return as long as the Indonesian authorities continued to follow the IMF program of keeping in-terest rates high, closing ailing banks and eliminating monopolies.

Today, now that the unpopular President Suharto has resigned. Washington's strategy for stabilizing the Indonesian economy is a shambles, and resumption of the IMF-led \$43 billion bailout has become dependent on the establishment of a successor government that has popular support.

'It's clear we won't be able to move ahead until the political situation clarifies," said Stanley Fischer, the IMF's deputy managing director.

To a large extent, the administration of President Bill Clinton, which has considerable influence over the policies.

considerable influence over the policies of the 182-nation IMF, adopted a position that many of its critics have been urging all along. Instead of doling out international aid strictly based on Indonesia's compliance with economic

targets, Washington acknowledged that Indonesia would have no chance of recovering without an end to the repressive rule of Mr. Suharto.

While U.S. officials maintain that they had good reasons for their approach, the costs of its failure loom large.

The riots and demonstrations that shook the country in recent days have sunk the economy to new depths, with banks virtually ceasing to function, business executives fleeing abroad and the national currency plunging to about

'We won't be able to move ahead until the political situation clarifies,' a top Fund official said.

recent IMF program. The devastating blow to confidence means that if and when political stability is restored, the IMF will have to draw up a recovery program based on a significantly worse economic outlook - possibly requiring

far greater foreign contributions.

The U.S. officials overseeing the Indonesian rescue say they had been warning the Suharto government for months that major political change would be necessary to persuade a resentful populace to accept the painful measures needed to put the economy back on track.

"It was clear all along," U.S. Treasury Secretary Robert Rubin said in an interview Wednesday, that Mr.

Suharto's style of government 'wouldn't last in the long run." The question, Mr. Rubin said, was "what was the right way to pursue the objective of political reform."

Washington refrained until last week from calling publicly for political change in Indonesia, in part because it feared that doing so would only destabil-ize Jakarta and risk deepening the fi-nancial crisis in neighboring countries.

Mr. Suharto might have reacted with a brutal crackdown to assert his authority, U.S. officials said, and it was far from clear that a successor could gain adequate control over the fractious population of 204 million.

Moreover, virtually the only leverage with which Washington could try to force democratization was a threat to cut off IMF funding. U.S. policymakers are extremely loath to use the IMF as a political bludgeon. They point out that political bludgeon. They point out that interfering in a member nation's internal politics would violate the IMF charter and could severely undermine the Fund's ability to induce member countries to revise their economic policies.

Although some of the recent rioting in the country was triggered by cuts in government fuel and food subsidies required by the IMF bailout, the Fund would have accepted a more gradual reduction in the subsidies - and one that was less burdensome to the poorest

sector of the population.

Moreover, the IMF program has commanded much more popular support in Indonesia than similar programs in other countries because the Fund insisted on dismantling cartels and special arrangements that primarily benefited

Expect More Strife, Nobel Winner Says

LISBON - The Timorese Nobel peace laureate Jose Ramos-Horta predicted Thursday that antigovernment protests would continue in Indonesia and that the new president, B. J. Habibie, would only last a few days in office.

Protests will return to the

streets." Mr. Ramos-Horta said on Portuguese radio.

I said a few hours ago, when the news broke, that the people would now be euphoric, their victory over Suharto would be sinking in, but later they will reflect and adopt a strategy for the overthrow of Habibie," he said.

Earlier. Mr. Ramos-Horta said that Mr. Habibie. appointed after President Suharto's resignation, had no credibility. "He contributed to the bankruptcy of the economy." Mr. Ramos-Horta said. "He is not the man to be trusted to carry out the reforms needed in Indonesia. Habibie is the worst possible choice. Mr. Ramos-Horta said Indonesia

must appoint a national unity government including representatives from the army and civil society to prepare the way for free elections.

relatives and cronies of Mr. Suharto. "In Indonesia, the program is not seen as supporting an unpopular govemment but promoting the process of reform," said Hubert Neiss, head of the IMF's Asia-Pacific division.

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TRAVEL UPDATE

Friday Expected to Be Busiest Day In History of American Aviation

WASHINGTON (AP) — The airline industry expects Friday to be the busiest day in U.S. aviation history.

More than 2 million people are expected to take off for the start of the Memorial Day holiday, and more than 12.5 million people are expected to fly over the seven-day period ending Tuesday, the Air Transport Association said.

The group, which represents the largest U.S. air carriers, predicted that load factors — the proportion of seats that are filled on an airliner — could be as high as 83 percent systemwide. Recently, load factors have been averaging about 70 percent.

The nation's largest carrier, United Airlines, has 320,000 passengers booked to fly Friday. The airline's single-day record record is 284,077 passengers, set on Aug. 29, 1977.

Belgrade-Sarajevo Air Service

SARAJEVO, Bosnia-Herzegovina (AFP) — The Bosnian airline Air Bosna announced its first scheduled flight Thursday between Sarajevo and Belgrade since air links were severed at the start of the 1992 Bosnian war.

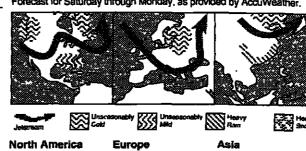
The plane arrived at Belgrade airport at 7:30 A.M. and was the first of regular twice-weekly flights, on Thursday and Sunday, costing 233 Deutsche marks (\$131) for each round

The Yugoslav company JAT also said Thursday that it was poised to resume regular weekly flights to Sarajevo, beginning

Correction

A front-page article in Thursday's editions on a Madeleine Albright speech misstated the amount Pakistan has paid the United States for a suspended order of F-16 jet fighters. Pakistan has paid more than \$600 million for the jets.

WEATHER



Sunny and pleasant over, Showers likely in London the entire Normeast Satur- his weekend, followed by day hrough Monday. Nice much cooler weather early day and Monday with a next week. Dry and chilly in Ihunderstorm. Dry and sto Saturday, then a cold warm in Tokyo Saturday; hunderstorm. Rainly and cool in the Pacilic Northwest Saturday through Monday. Saturday through Monday. Saturday through Monday. Saturday: dry and cool in the Pacilic Northwest Saturday through Monday. Saturday: dry and cool make the north cooling the saturday through Monday. Saturday: dry and cool in Beijing Saturday, then warmer Sunday and Monday and Monday. Thunderstorm Dry and Ince in Athens will rumble across Seoul Showers in Moscow this Sunday, then warmer Monthe Southwest desents.

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THE AMERICAS

Clinton Seeks to Muffle Criticism of China Sales

White House Calls House Vote to Ban Transfer Of Technology to Beijing 'Knee-Jerk Reaction'

By Brian Knowlton ational Herald Tribune

WASHINGTON - The White House sought Thursday to quell an outpouring of congressional criticism about the administration's China policy. calling a vote in the House of Representatives to halt sales of U.S. satellite and missile technology to China a

'knee-jetk reaction' to news reports. All but a few Democrats joined the majority Republicans in a series of nearly unanimous votes to ban the technology exports. The votes were a stinging rebuke to the White House after allegations that Democratic campaign contributions had influenced the Clinand allow civilia to be sold to China.

With President I ton administration to waive a 1989 ban and allow civilian satellite technology

With President Bill Clinton scheduled to visit China late next month, White House officials quickly sought to defuse the bipartisan criticism.

"Because we've got a little political

controversy under way here in Washington," said Michael McCurry, the White House press secretary, "some members of Congress are urging that we blow up this relationship, and I think that that is very short-sighted."

The measures passed by the House, if endorsed by the Senate and signed into law, would effectively ban exports of commercial satellites to China, potentially affecting deals worth hundreds of millions of dollars to U.S. companies.

Asked about calls from some in Congress for Mr. Clinton to cancel the trip to China, Mr. McCurry said that such sentiment explained why the executive branch handles foreign policy.

"Congress will make intemperate

judgments that can do real damage to the role the U.S. plays in this world when it reacts to political stimuli rather than thoughtful reason," he said.

The allegations, being investigated by the Justice Department and both chambers of Congress, hold enormous potential to shake the Clinton administration, touching on questions of national security and on what many in the administration see as the country's most important emerging bilateral relation-

ship.
The House votes are likely to be more symbolic than binding since they consume a rovision and the

tain no enforcement provision and the final bill probably will not be enacted until after Mr. Clinton's China trip.

Mr. McCurry indicated that he thought Democrats had joined Republicans in the votes Wednesday out of fear of heirar greath to the proposition of fear of being caught on the wrong side of a politically charged issue with elec-

"Nobody wants to make a vote that they're going to be subject to political criticism for," he said.

In one of four related amendments to a defense spending bill, the House said Mr. Clinton's approval of the export of a communications satellite on Feb. 18 "was not in the national interest."

The votes on the measures were lopsided. The amendment calling on Mr. Clinton to sign no new satellite or missile deals with China during his visit carried by a margin of 417 to 4.

The White House insisted that Mr. Clinton had done nothing wrong when he gave Loral Space & Communications Ltd. a new permit to have one of its satellites launched by a Chinese rocket. The company allegedly provided technology to help in the launch that the Chinese might have used for military purposes. Bernard Schwartz, chief executive officer of Loral, gave \$632,000 to the Democrats during the 1996 election campaign.

Administration officials and Loral spokesmen have denied any connection between the donations and the president's decision.

The leader of the House Democratic minority, Richard Gephardt of Missouri, said Thursday that he opposed a plan by the House speaker, Newt Gingrich, to widen the investigation into the satellite exports and alleged Chinese influence on the White House.

The Senate began a investigation Thursday of technology transfers to China. One expert, John Pike of the Federation of American Scientists, told a Governmental Affairs subcommittee that the U.S. satellite technology would not have made much difference to China. Chinese missiles have been capable of hitting U.S. cities since 1981, he said.

But William Graham, science adviser to Presidents Ronald Reagan and George Bush, said that he had unsuccessfully counseled both presidents against satellite exports to China. The technology transfer "carries substantial risk to the United States and its allies,"



Media members setting up shop outside the Wisconsin store that sold the Powerball ticket.

Lucrative Lottery

Winning Ticket Pays \$195 Million The Associated Press

DES MOINES, Iowa - One gambler out of the millions of dreamers who waited in long lines or drove into the next state in hopes of making a killing beat Powerball's 80 million-to-Î odds.

A ticket sold in southern Wisconsin for the Powerball jackpot drawing Wednesday night, worth a world-record \$195 million, was the only winner, lottery officials said Thursday. The winning numbers were 4, 9, 30, 34, 48 and Powerball 8. The winner's identity was not released.

The big ticket was sold in Walworth County, Wisconsin, at a store about 5 miles (3 kilometers) across the state line

from Illinois, a non-Powerball state. Pat Penio, owner of the Lakeside Country Store in Pell Lake, where the winning ticket was purchased, said customers suggested the payoff should be shared with the

community of 1,200. The winning player chose to receive an immediate payout, which meant the ticket was worth \$104.3 million. The full jackpot would have been paid out over 25 years — at roughly \$7.7 million a year.

Vaccine Stockpiling for Civilians to Be Ordered

By Bradley Graham Washington Post Service

WASHINGTON -- President Bill Clinton has decided to order the stockpiling of vaccines and antibiotics to treat huge numbers of civilians in the event of an attack against the United States with biological weapons, according to sources familiar with the plan.

While the Pentagon already has accumulated some medicines to shield troops from a handful of germ warfare agents, no similar reserves exist for ci-

The prospect that an enemy state or terrorisi group might unleash a deadly pathogen or toxin, capable of killing tens of thousands of people in a U.S. city, has become an increasing concern among national security specialists. Although experts differ on the near-term likelihood of such a threat, Mr. Clin-

ambitious of several recent administration initiatives to improve the way military and civilian authorities cope with domestic attacks.

Mr. Clinton's personal interest in the subject is said by aides to have deepened in recent weeks, spurred by books and briefings. After listening in early April to an outside panel of seven specialists discuss the poor condition of U.S. biological and chemical defenses, Mr. Clinton sought the group's recommendations on how to deal with a biological attack. In a 16-page report, the panel urged Mr. Clinton to begin the stockpile program and strengthen the ability of the nation's public health system to re-

spond rapidly. Details about how fast to build the stockpiles and how to pay for them are still being discussed by senior administration officials. Plans call for Mr. Clinton to announce the initiative during a commencement address Friday at the Naval Academy that will focus on the administration's efforts to combat terrorism of various kinds.

Establishing stockpiles for dozens of U.S. cities could easily cost billions of dollars and require years before adequate levels are reached, experts say. A Pentagon program to develop and produce as many as 18 new vaccines to protect U.S. military forces during wartime was initiated last year at an estimated cost of \$320 million over five years. A civilian stockpile program would cover a much larger population and require millions more doses.

It also would require scientific innovations. Anthrax is the only potential germ weapon for which a vaccine has been licensed by the Food and Drug Administration and that is being produced in the United States. Other vaccines are under development but have vet to prove safe for human use.

While there is little support for inoculating all civilians as a preventive measure, vaccines might be administered to local emergency crews. They also might be used to contain an attack in one part of the country or be applied to attack victims to build up their immunological response.

A group of outside specialists, also commissioned by the administration but separate from the one that briefed Mr. Clinton, has listed five agents that present the most immediate menace: anthrax, smallpox, plague, tuleremia and botulinum toxin.

Recent defense studies have warned of an increased risk of biological or chemical attack, citing the spread of information about how to produce and deliver poisonous agents and efforts by hostile states and terrorist groups.

After Blackout, an Appreciation of Pagers

By Laurence Zuckerman New York Times Service

NEW YORK - Tens of millions of Americans have become keenly aware of their dependence on yet another space age technology after a communications satellite or-

biting above the Equator went on the blink.
But satellite-industry analysts and executives described the problem as an extremely rare event and said that as more satellites were lofted into space in the next two years, the number of spares would increase.

The problem that paralyzed PanAmSat's IV satellite height of 22,300 miles (35,700 kilometers). knocked out the transmission of some television and radio signals as well as data. But the crippling of much of the nation's pager network created the greatest inconvenience.

Workers around the country who had come to depend on their beepers for everything

from emergency calls to the price of soybeans were suddenly in the dark. As in a major electricity blackout or the disruption of telephone service, users suddenly realized how much they had taken technology for granted.

"The paging companies are learning that a lot of people really rely on this stuff," said Clayton Mowry, director of the Satellite Industry Association. "There may be some reconsideration of how these guys use ser-

vices in terms of having backup capacity."

The satellite industry sprang from the imagination of the writer Arthur Clarke in the 1940s and only began growing commercially in the early 1980s. It is now a \$51 billion industry that is expanding 14 percent a year, Mr. Mowry said.

Paging, which requires only a small amount of bandwidth, or transmission capacity, represents a tiny fraction of the innect grocery stores with their warehouses; they allow people to add fuel to their cars with the swipe of a credit card at the pump, and they transmit up-to-the-minute data to financial traders.

"You don't look at the dish on top of the Piggly Wiggly and the Safeway, but it is there," Mr. Mowry said, referring to two U.S. supermarket chains. One reason the failure was so notable was

that satellites have been so reliable. There have been many problems launching them in recent years, but once in place they rarely "We're very dependent on it because it is a

ry efficient infrastructure, said Robert Kaimowitz, a satellite-industry analyst at C.E. Unterberg, Towbin, a New York investment bank.

Frederick Landman, chief executive of PanAmSat, said that nearly 200 commercial dustry's overall sales. Satellite networks con- satellites were in orbit and that the failure rate was less than I percent.

PanAmSat Says Full Service Won't Be Restored for a Week

GREENWICH, Connecticut - PanAmSat continued shifting signals onto its other satellites Thursday to restore service to millions of people who rely on pagers, but the company said it would take about a week to provide full service.

Service was knocked out to from 80 to 90 percent of the 45 million pagers in the United States, and television and radio broadcasts were knocked off the air Tuesday night when PanAmSat's Galaxy IV satellite suddenly lost track of the Earth. But those who rely on pagers and other similar devices found ways to cope when technology let them down.

Ralph Griffith of Plano, Texas, was waiting to hear about the lung transplant he needs when his pager went on the blink. He said he planned to stay home by the phone "until this is straightened out."

At the University of Pennsylvania Health System in Philadelphia, nearly all 2,000 pagers were idled, forcing it to pull old wire-based pagers out of storage. "It's clearly been a major disruption for us," said Dr. David Shulkin. "In the medical profession, this is the equivalent to a large snow storm where people have to scramble to get the job done.

Wisconsin Clinics Again **Performing Abortions**

Affirmatively Going Elsewhere

Fewer Minorities Accept Offers at University of California

CHICAGO -- Medical clinics in Wisconsin have resumed performing firstkrimester abortions after local law enforcement officials reassured them that physicians would not be prosecuted under a new state law that bans what opponents call "partial birth" abortions.

Doctors and abortion-rights groups say the law is unclear and could be interpreted to apply to all abortions, not just late-term procedures. A federal appeals court Tuesday refused to temporarily suspend the new law pending a nearing on its constitutionality.

But prosecutors in Milwaukee, Appleton and Madison offered their assurances that doctors in their jurisdic-

WASHINGTON - The University

of California has announced that the number of black and Hispanic students

who have accepted offers of admission

in its first freshman class in a generation

chosen without affirmative action is 12

In another sign of the effects of Cali-

fornia's new ban on racial preferences.

leaders of the state's university system

said Wednesday that on most of its cam-

puses, less than half of the black and Hispanic students who were offered ad-

mission as freshmen have decided to

accept. The decline in such minority en-

rollment will be most severe at the state's

the newsstand price.

percent less than it was last year.

tions would not be prosecuted for performing abortions in the first tri-mester and up to the 16th week of a

woman's pregnancy. The new law bans a procedure in which a late-term fetus is partly delivered and aborted. Physicians convicted of performing such abortions face a mandatory sentence of life in prison.

Concerned that the new law was unclear and might leave them vulnerable to prosecution, physicians throughout the state halted abortions after the law took effect last week.

Now, with the official assurances, Planned Parenthood and other abortion providers said Wednesday that they would resume performing abortions.

California at Berkeley and University of California at Los Angeles.

At Berkeley, 98 of the 3,660 students who have accepted the university's offer

of admission for the fall are black and

185 are Hispanic. Last year, when the

university could still use race or ethnicity

as a factor in admissions, 224 black stu-

dents and 411 Hispanic students enrolled

in the freshman class. The pattern is

similar at UCLA: It now expects to have

131 black students in its next freshman

class, down from 219 last year, and 329

pressed dismay with the shrinking num-

ber of minorities, but many also said

Hispanics, down from 452 last year. University of California leaders ex-

POLITICAL NOTES

Term-Limit Crusade Loses Steam

CAMP HILL, Pennsylvania - Here lie the tatters of the termlimits movement disconnected phones, empty doughnut boxes, blank computer screens and an exhausted, unshaven congressional candidate, slumped in a chair in shorts.

Charles Gerow, 42, a conservative Republican, carried the termlimits banner into his primary election campaign here in southcentral Pennsylvania. In the voting on Tuesday, Mr. Gerow got crushed: Final returns showed him losing to Representative William Goodling, a 12-term incumbent, decisively, by 2 to 1. The defeat was a blow to term-limits supporters. And it underscores the depths to which the movement has sunk.

Once the promising child of Republican revolutionaries, term limits have become to many in the party the crazy aunt who is stashed in the attic for fear she will embarrass the family. (NYT)

Senate Clears Cigarette-Tax Smoke

WASHINGTON - The Senate has handily rejected the main alternatives to a \$1.10-per-pack increase in the federal fees imposed on cigarettes over the next five years.

First, by a 72-to-26 vote, the senators on Wednesday defeated a Republican proposal to remove all taxes and fees from the tobacco legislation now under consideration. Then, the Senate voted, 58 to 40, to kill a Democratic amendment to make the tax increase \$1.50

While many more votes are on tap before the Senate disposes of the tobacco bill, Wednesday's votes had important implications.

The first is that anti-smoking forces command enough votes in the Senate to pass a bill that would sharply raise the price of cigarettes. A second is that there is general agreement that the \$1.10-per-pack increase favored by President Bill Clinton and Senator John Mc-Cain, Republican of Arizona, the chief sponsor of the legislation before the Senate, will probably become part of whatever bill comes out of the Senate.

Quote/Unquote

Representative Christopher Cox, Republican of California, characterizing the spirit of his panel's investigation of the administration's export of space technology to China: "There's a model that may or may not have been appropriate in other contexts but we won't follow it—the congressional hearing as political theater." (NYT)

Away From Politics

• The government launched a campaign to • Red-light runners cause 250,000 traffic warn beachgoers that today's suntan may be crashes a year and a growing number of tomorrow's skin cancer. The advice is simple: deaths, according to a new study. The number wear a hat, don sunglasses, apply sunscreen or just avoid the sun during peak midday hours.

"The sun is not a toy — use as directed,"
warned Health and Human Services Secretary
way Safety said. In those years, 3,753 such retary way Safety said. In those years, 3,753 such (AP) crashes killed 4,238 people. (AP)



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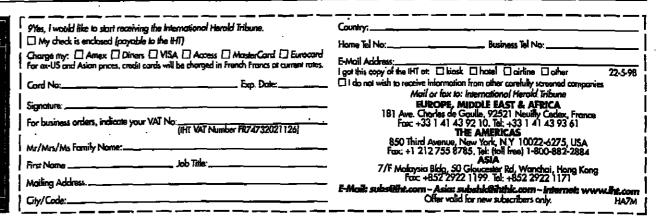
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two premier campuses, the University of they, had feared much worse.

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Asia's Changing Landscape: 'There's No Turning Back' on Democracy

By Kevin Sullivan Washington Post Service

SEOUL — The resignation of President Suharto is the latest and most vivid sign of how the Asian financial crisis is changing the political landscape throughout their region, analysts and others across Asia said Thursday.

'We're ushering in a new era of democracy," said Park Jin, a professor at Yonsei University in Seoul. "There's no turning back now."

President Fidel Ramos of the Philippines called Mr. Suharto's resignation a "first step toward recovery," and leaders and legislators and people in the street across Asia said that Mr. Suharto's departure was a hopeful sign that financial pressures were forcing the old-style Asian dictatorships aside in favor of more de-

"With this epoch-making step contributing to historical momentum. Indonesia, we hope, will foster itself as a country where democracy and human rights are respected to the fullest," said Shin Ki Nam, a spokesman for the ruling National Congress for New Politics in Seoul.

Indonesia is now the third Asian country.

minister is fighting for his political life because of economic problems. And, with the region's finances splintering all around, China has put economics at center stage with the appointment of a market-savvy prime minister, Zhu Rongji.

The region is in a transition period as it copes with new economic realities and recreates itself for the 21st century, much as it recreated itself from poverty to affluence in the second half of this century. It is far from clear what the new Asian political model will look like, but analysts agree that it will probably be far more demo-cratic, with power likely to move out of the hands of the few and into the hands of the many.

The general trend is a move from development-oriented dictatorship to a government more supported by the people," said Akio Watanabe, professor of politics at Aoyama Gakuin University in Tokyo. "I could never have resignation than people in South Korea, a na imagined how quickly things would change."

While the Asian financial crisis has caused untold pain as companies go bankrupt and workers lose jobs, the silver lining may be the political changes that it has forced, such as the Suharto courageous" and a "victory for democracy."

along with South Korea and Thailand, with a new resignation, which President Bill Clinton deleader since the crisis hit last year. Japan's prime scribed as "an opportunity for the Indonesian people to come together and build a stable de-

mocracy for the future."
For three decades, Mr. Suharto, like many authoritarian Asian leaders, knew how to outmuscle political opponents and dissidents. But he was unequipped to fend off the more complicated didate who promised long-overdue reforms to international market forces and global economic the nation's fiscal policies and giant corporate that challenged his rule.

'While the economy was booming, those ople who supported 'Asian values' had some justification," said Hyun Hong Choo, former South Korean ambassador to the United States. "But this financial crisis told us that the root cause of our problems had something to do with the political system. People in the street, as well as the political leaders, have had a revelation that

No one was more cheered by Mr. Suharto's resignation than people in South Korea, a nation soon as possible." where democracy was wrested only recently from the hands of military dictators who ruled from the 1960s until 1987. Mr. Shin, the ruling party spokesman, called Mr. Suharto's decision "wise and

The long-time dissident Kim Dae Jung was elected to the presidency in December by voters terrified of the economic collapse that was pushing their nation toward bankruptcy. Angry at the inaction of former President Kim Young Sam, who reacted to the economic crisis like a deer in the headlights, voters turned to a canchaehol.

It was Mr. Kim's fourth run for the presidency, and without the economic crisis to propel him, it is unclear that he would have won.

In Japan on Thursday, Prime Minister Ryutaro years of Mr. Suharto's term. Hashimoto cautiously welcomed Mr. Suharto's resignation.
"We will continue to support the Indonesian

people's efforts at reform," Mr. Hashimoto said. "We are hoping that Indonesia will be able to ensure social stability and economic recovery as

But Mr. Hashimoto had to be wondering if he will be next. The economic chaos in Indonesia is potential disaster for Japan, which is already suffering severe economic problems that are threatening to cost Mr. Hashimoto his job.

Japanese banks hold about 40 percent of Indonesia's foreign debt, a serious exposure for a banking system already in crisis. 111

■ Washington Is Cool on Habibie

The New York Times reported from Wash

Despite the optimistic tone of Mr. Clinton's statement, administration officials said that the United States was still alarmed about the political situation in Indonesia, and especially about suggestions that Mr. Suharto's successor, B.I. Habibie, might try to serve out the remaining five

They said the appointment of Mr. Habibie did not satisfy the demands of the United States and of Indonesia's anti-government protesters for a democratic transition of power involving

new elections. "In the end, this will probably satisfy nobody," an administration official involved in Indonesia policy said. "We have to look beyond Habibie because no one will accept him as president for more than a short time. It's a handful of army generals who will now determine what

Asian Markets Cheer Suharto Resignation

By Philip Segal

HONG KONG - Asian stock and currency markets struggled with and then welcomed the news of President Suharto's resignation Thursday. But analysts said the gains could easily vanish if Indonesia's political future remained muddy, or if the newly sworn-in president, B.J. Habibie, lived up to his reputation as a profligate spender.

Every major currency in Asia except the Philippine peso and the Indian rupee strengthened against the dollar Thurs-day, led by the yen, which rallied in

Tokyo trading.

Japan is Indonesia's biggest lender, and the avoidance of the bloodshed that many had expected would continue if Mr. Suharto remained in office was partly responsible for the currency's recovery.

The dollar fell from 135.45 yen before Mr. Suharto announced his resignation to 134.88 yen before weakening slightly as markets continued to digest the prospects of a Habibie presidency. Tokyo's Nikkei 225 stock index rose 1.2 percent.

The idea that investors should cheer news of Mr. Habibie's rise to the top job in Indonesia shows just how far the coundemocratic system of government. They try has sunk since early March, when rumors that Mr. Suharto would thumb his nose at the International Monetary Fund by naming Mr. Habibie as his running mate caused the rupiah to plummet.

Between March 8 and March 11, when Mr. Habibie was designated for establishment and the army emphasize the vice presidency, the dollar surged from 8,875 rupiah to 12,500 rupiah.

But many analysts said that far too little information had come out of Indonesia to in guiding the nation and in keeping it draw more than the most preliminary unified. conclusions about what may come.

'lt's much, much too early to work out what this means, and I don't think the departure, a script that stipulates that Mr. markets have done so," said Richard Habibie will remain president until the Margolis, first vice president at Merrill

Lynch in Hong Kong.
"I don't think there's enough evidence even for the instinctive nature of markets to get to work."

Rather than welcoming Mr. Habibie, in fact, it seemed entirely possible that markets had reacted positively to the prospect that his term might be brief.

The Singapore dollar initially fell against the U.S. dollar on news of the Habibie appointment but then rose along with the Thai baht and the South Korean won. Markets in Indonesia were closed Thursday, but in thin trading the U.S. dollar was quoted at 11,000 rupiah,

down about 1.4 percent. The Straits Times Industrials stock index in Singapore advanced 3.6 percent. Stocks in Malaysia did even better, rising 4.29 percent. The two markets, geographically the two closest to Indonesia. retraced almost exactly their declines of May 6, when rioting spread across Indonesia and fears intensified in Malaysia and Singapore of masses of Indonesian

refugees coming ashore there. Hong Kong's benchmark Hang Seng Index was down 2 percent when news of Mr. Suharto's resignation hit. It immediately reversed course and showed a gain of 1.27 percent at the close.

When news of the resignation broke, "the market was very confused, up again, down again," said a salesman at Salomon Smith Barney in Hong Kong, who said rumors of an interest-rate cut in China rather than relief over Indonesia had been primarily responsible for erasing Hong Kong's early losses.

If Mr. Habibie hopes to restore confidence in the markets, he will have to win over such investors as Terrace Chum, a fund manager at Schroder In-

vestment Management in Hong Kong.
"He's basically a very close friend of President Suharto, and he has the reputation of being a very big spender," said Mr. Chum. alluding to one of Mr. Habibie's old favorite projects, Indonesia's national airplane.

Some others were more bluntly skeptical. "If you still have money in In-donesia, it's time to write it off," Lye Thiam Wooi, who helps manage \$200 million in currencies and securities at OUB Asset Management Ltd. in Singa-

pore, told Bloomberg News. But Roger Pyrke at Barclays Global Investors Hong Kong, which he says has between \$10 million and \$100 million invested in Indonesia. said, "The in- Suharto and as a show of support for the ternational financial community on the constitutional process, but the generals

whole should regard this as positive." He acknowledged, however, that the avoidance of the bloodshed that probably would have followed if Mr. Suharto had not resigned was only a tentative first step for Indonesia.



Student protesters in Jakarta waving the flag on Thursday to celebrate the news of Mr. Suharto's resignation.

VISIONS: Nation Is Divided

Continued from Page 1

want a free press, adversarial political parties, independent courts and a strong legislative branch, and they see no reason why the army should play a central role in the political process.

On the other side, many people in the the virtues of stability. They distrust the hurly-burly of democracy and argue that the armed forces must play a central role

It was those in the second camp who helped write the script for Mr. Suharto's present term expires in 2003.

It was they, apparently including men like General Wiranto, who are determined to protect Mr. Suharto and assure him a dignified exit from the stage.

So now the protesters, fresh from having brought down one president, are eager to rewrite that script and fell an-

On Thursday, tens of thousands of demonstrators poured into the Parlia-ment compound — which has become the focal point of the democracy movement, the Tiananmen Square of Indonesia — and almost immediately turned from jubilation at Mr. Suharto's downfall to ratchet up their demands.
"First of all, Subarto," said Janes

Nanulaitta, a 24-year-old student who was sitting on the floor of the Parliament building, flirting with a group of adoring women students who had gathered around him. "Then Habibie. Then the cabinet must be cleaned out of corruption and nepotism." The women cooed admiringly and

social opportunities of a struggle for democracy, straightened his back and added after a melodramatic pause: "One thing is certain: we will stay in this building until Habibie steps down."

That view seemed widespread among the students, with most saying that the occupation will continue indefinitely. Banners denouncing Mr. Habibie dangled from the windows, and posters on a budding "Democracy Wall" de-clared that "Habibie is Suharto's puppet. Do not accept him!'

Speakers at a rally outside emphasized the same theme, with one declaring; "Habibie is a water buffalo whom Suharto is leading by the nose.

The upshot is that the same forces that were arrayed against Mr. Suharto now are targeting Mr. Habibie. The problem for him is that he represents continuity - and continuity with the Suharto years is the last thing most people want. Mr. Habibie was Mr. Suharto's protégé and friend, and he has little stature in society and almost no power base.

If the army is determined to keep Mr. Habibie in power, it could probably do so. But its intentions are unclear. One reason to think that he may be vulnerable is that in the past, relations between the armed forces and Mr. Habibie have been tense. The army may have gone along with his elevation as a favor to Mr. do not have the bonds of loyalty to the new president that they had to the old

So, if there is no secret deal under which the army has pledged to stand by Mr. Habibic, the generals may be willing change.



Indian Ocean

dump him. That is the strategy that some legislators are following, aiming to call a special session of a consultative assembly so that Mr. Habibie can be constitutionally removed and a new president chosen.

"Our demand is for Habibie to resign as well as Suharto, so that the reform process can go ahead smoothly," said Ali Sadikin, a retired lieutenant general and governor of Jakarta, who is one of the most prominent former officials who is working with the students to change the political system. "The way out is a special session.

The presence of former military men in the process — and the emphasis on such constitutional means as a special session - may reassure the armed forces enough that they will stand by and allow the impeachment process to unfold. If so, Mr. Habibie's prospects are not good, because he has so few back-

It is not clear who might emerge on Mr. Nanulaitta, who seemed to relish the top from this constitutional process of choosing a new president in mid-term.
One possibility is some establishment

to bow to public pressure and eventually figure who is not so close to Mr. Suharto as to have his credibility tainted. If so, the political restructuring might still be measured, and the armed forces and the that. "Simply arrested?" he asked. conservatives would get their wish for

> emerged as the main opposition leader explain why he got the wrong Louis (it and who presumably would be far more was Louis XVI) and method of exelikely to introduce sweeping political cution (the guillotine). In any case, some changes. Mr. Rais has cultivated ties with the army and might be acceptable to liament building may simply be a matter the generals, but he falls into the camp of letting off steam. seeking to shake up Indonesia in fundamental ways.

In either case, one of the key divisions in the coming months will concern what empire that his family built up during his presidency.

The venom directed at Mr. Suharto, who in the past was treated as a national father figure, is stunning, for the Par-liament square echoed Thursday with calls for confiscation of his assets, imprisonment and even execution.

for what he did over the last 32 years, so service."



Amien Rais, above, the Muslim opposition leader, speaking to the press Thursday after Mr. Suharto's resignation. General Wiranto, right, commenting at the presidential palace, said the army would maintain order.

Dissidents Bitter About Suharto and Skeptical of Any Change

The Associated Press

sians cheered the resignation of President Suharto, some of those hardest hit by political repression during the past three decades were not rejoicing.

Dissidents and human rights activists contacted after the swearing-in of President B. J. Habibie feared little would

dents since he took power in 1966.

'Suharto's resignation is absolutely meaningless compared to all bad things he has done during the past 32 years, said Pramoedya Ānanta Toer, an au-

Mr. Suharto has been criticized for Indonesia's first president, Mr. JAKARTA — While many Indone- supervising a government that has Pramoedya was imprisoned after Mr. cracked down hard on political dissi- Suharto's military overthrew Mr. Sukarno, Mr. Pramoedya was freed in

Suharto," said Muchtar Pakpahana, a labor leader who was sentenced to four years in jail for subversion. "He is also a A prominent supporter of Sukarno, source of collusion and nepotism."

much for your support and I am sorry for my mistakes, and I hope the Indonesian country will live forever."

would be only a short-lived transitional figure. Mr. Habibie, who served for decades as minister of research and technology before becoming vice president just two months ago, has never held an important administrative position and does not have a strong political base or the morning.

The backing of the military has been

broad support within the powerful mil-During the brief and painful cere-mony at which he resigned, Mr. Suharto apologized for his mistakes and handed over his office to Mr. Habibie in a nationally televised ceremony. After his brief statement of resignation, he turned the microphone toward Mr. Habibie, who immediately took the oath of office

INDONESIA: Habibie Promises Reforms

as a judge held the Koran above his Mr. Suharto then stepped up, shook Mr. Habibie's hand, smiled and walked down a line of judges, smiling and shaking their hands. He gave a small salute to the onlookers and walked away.

Continued from Page 1

Mr. Suharto never lost the gentle smile with which he had addressed his people for the past three decades. He concluded, "Fil say thank you very

Indonesia at a Glance

Population: 210 million, the world's 4th most populous and largest Islamic nation; 88% of Indonesians are Muslims. Chinese, 2% of the population, control 75% of the nation's commerce.

1985-95 average annual growth in GDP: 7.

t	ctors: tribution GDP	% of labor force
Agriculture, forestry, fishing	17.2%	45%
Manufacturing	24.3%	11%
Mining	10.2%	0.8%
Services	41.0%	33.5%
Courses Model Pool	Davidona	

he should go to prison," said Aldo Mustopo, 25, a communications student.

"No. He should be hanged, like Louis gradualism and stability.

Another possibility is someone like
Amien Rais, a Muslim leader who has

of these kinds of statements in the Par-It is difficult to imagine the student

movement going eyeball-to-eyeball with the armed forces over the demand that Mr. Suharto be hanged, but the to do with Mr. Suharto and the corporate oratory still underscores the vast gulf in values between the protesters and the government

of Mr. Suharto's legacy.

"I sincerely believe that our people, our Suharto must be held accountable society, feel the same gratitude for his

1979, but remains under house arrest. "Habibie is the same man as During the ceremony, the most com-

manding figure was the defense min-ister, General Wiranto, who pledged to support the new president in what might have been the most crucial statement of

the decisive factor throughout the past few tense days in which Mr. Subarto's fate was decided, and this backing will ultimately determine whether Mr. Habibie serves out Mr. Suharto's full term in office, which ends in 2003.

Amien Rais, who has emerged as the leading opposition figure in recent weeks, said that for the moment he would give Mr. Habibie the benefit of the doubt, but added: "If his new cabine stinks of nepotism, then I will not endorse him.

Kemal Idris, a respected retired general, was one of many public figures who said they would not accept Mr. Habibie as president.

'No celebrations yet," he said. 'Habibie is part of the Suharto crony leadership, and we do not trust him. We want to see a real change.

Like many of the students, he joined a widespread demand for the convening of a special session of the electoral assembly, which members of Parliament had begun to put in motion in an effort to remove Mr. Suharto. Their target now is Mr. Habibie.

On the grounds of the Parliament, new anti-Habibie banners appeared alongside the older banners calling for the ouster of Mr. Subarro.

"Refuse Habibie as president right now," read a large yellow banner. Even if he were a popular leader who could call on a reserve of public support,

Mr. Habibie would face a daunting task as president. He inherits from Mr. Suharto a nation still reeling from weeks of riots, student demonstrations, troop movements and political maneuvering and faced with a deepening recession that would tax the abilities of even the most able leader.

But Mr. Habibie, without offering specific policies, set forth an ambitious program that, if realized, could revamp the decades-long government system of his predecessor.

Addressing another of Mr. Suharto's failures, Mr. Habibie pledged to honor the nation's commitments to economic reform in return for a \$40 billion rescue package organized by the International Monetary Fund. If, unlike his predecessor, his deeds

match his words, this policy could strengthen the nation's standing with international creditors and investors. But it would cause added economic pain to his countrymen by imposing new austerity measures.

It will be the task of the nation's leader to rally public support and patience for the belt-tightening that lies ahead, to avoid the protests and riots that have The gulf was evident when Mr. greeted every round of price increases Habibie offered the rival interpretation and food shortages so far this year.

If he is to succeed, Mr. Habibie also In a speech Thursday night, he praised faces the daunting task of taking real Mr. Suharto to the skies and concluded: control of the nation's economy and faces the daunting task of taking real power structure from the entrenched and mutually supportive crony network that enmeshed the country under Mr. Suharto. Promising reform in another key area of political failure by his predecessor. Mr. Habibie said he would be a support of the said he would be supported to the said he review "the entire legal system," a corrupt and unresponsive branch of government that has been a source of some of the nation's greatest abuses and public

discontent. Even as he pledged to address what. amounted to a catalogue of Mr. Suharto's abuses of power, Mr. Habibie expressed his "deepest gratitude" to the man who has been his close friend for 48. years and to whom he owes his political

We will never forget the dedication and the service he has delivered to us, he said. "He has formed the core of the

success of our development." Offering an olive branch to the forces who brought down his mentor, Mr. Habibie said, "The struggle of our students has been a fresh current which is rapidly carrying us into the 21st cen-

He added: "I have been enormously. impressed with the dynamics which have developed in the reform process, both those which have been expressed by the student protests and the more general desire for reform in the population and in Parliament.

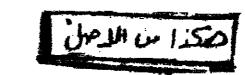
He asked his listeners to be patient and to give him his support as he takes on the huge tasks left to him by Mr. Suharto, and some people seemed willing to oblige. "I don't know what will happen, but

today I am happy because maybe after.

this moment we have a new hope," said: Setyo Budi, a police officer.

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INTERNATIONAL



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ARMY: Key Power Broker

Continued from Page 1

resentatives' speaker, Harmoko, that the legislature would hold a plenary session Friday to ask Mr. Suharto to step down unless he agreed to do so before then,

Mr. Sudarsono, who was deputy governor of the Defense Ministry's National Resilience Institute before being appointed to the cabinet in March, said that even though Mr. Habibie currently had the military's support, he might only be a temporary leader.

The state of the s prudent to accept him at least as a temporary head-of-state," Mr. Sudarsono mile (650-square-kilometer) zone around said on Australian Broadcasting Cor-poration radio. "If General Wiranto were to take over, there would be some suspicion that this was an apparent grab of military power."

probable and the second of the General Wiranto, 51, was appointed commander-in-chief of the armed forces in February. In March, he was made defense minister.

handling of protests against the toughes mother commanders, including Lieutenant General Prabowo Subianto, head of the army strategic reserves and a son-in-law of Mr. Suharto.

In seeking to calm the situation, General Prabowo Subianto, head of the army strategic reserves and a son-in-law of Mr. Suharto.

In seeking to calm the situation, General Prabowo Subianto, head of the army strategic reserves and a son-in-law of Mr. Suharto. He is widely seen as the main ad-

the middle ground between the government and its critics, saying that the armed forces supported reform, but through peaceful and constitutional means.

Analysts said that General Prabowo. who owed his meteoric rise to his family and political connections, would be weakened by Mr. Suharto's resignation while General Wiranto and the military professionals who supported him had emerged stronger. "Prabowo without Suharto is a weakened Prabowo," said a former Indonesian official. "He is politically cornered."

A Western diplomat said that if Mr. Habibie failed to forestall moves to replace him in the special session of the People's Consultative Assembly, General Wiranto was likely to be a leading candidate to take his place.

"A lot of people are saying he's the right guy because of his moderate reputation and military background," said the diplomat. "With the right civilian as vice president, Wiranto could offer an appealing assurance of stability and reform."

General Wiranto would also be helped by his reputation for integrity, analysts said. "He seems to be a leader who plays things straight," Mr. Gale said. "In the recent protests, he tried to find a middle way and avoid confrontation for the sake of national stability and unity. He also avoided playing politics, unlike some other generals."

On Thursday, some students ex-pressed fears that Mr. Habibie might not be able to control the army and that this would result in the military taking a dominant role in running the country.

Mr. Gale said he believed Indonesians would accept a military man in the top job again, "provided he was more respon ive to demands for political reform and did not perpetuate a nepotistic regime."

Analysts said that relations between Mr. Habibie and the armed forces had been severely strained since he engineered a \$1 billion deal for 39 East German warships in 1994 without consulting the military or the Finance Ministry.

Mr. Habibie, then research and technology minister, forced the deal on the navy, in part to benefit the state-run shipbuilding industry he headed by giving it the business of refurbishing the vessels. "That deal effectively crippled the

military's budget for 10 years," said a

Western military attaché.
Mr. Habibie, with Mr. Suharto's backing, also made it mandatory for the Indonesian armed forces to buy the products of other heavily subsidized 'strategic" industries he operated that made planes and arms, even though the military preferred to buy more modern foreign weapons.

On Ethiopia Border, Tempers Flare

By James C. McKinley Jr. New York Times Service

NAIROBI - Eight years after they jointly won a civil war against a communist dictator, the leaders of Ethiopia and Eritrea seem to be on the verge of attacking each other over a triangle of

rocky land along their shared border.

Over the weekend each government massed thousands of troops on each side of the disputed territory. Officials from the two countries have attacked each other I think the military have found it in increasingly harsh rhetoric, each acmile (650-square-kilometer) zone around Badame known as the Yigra Triangle.

BRIEFLY

Bahamas Deports

61 Cuban Refugees

NASSAU, Bahamas — The Bahamas deported 61 Cuban "boat

people" to their communist home-

land Thursday, despite an offer of temporary asylum by Nicaragua for nearly 200 Cuban refugees at a Nas-

The deportations — the second

since Monday — were sure to anger Cuban exiles in the United States,

who were working to get third-country visas for the Cubans. The

Americans were jubilant when

President Arnoldo Aleman of

Nicaragua made his announcement

Carlton Wright, a foreign affairs

spokesman for the Bahamas, said Thursday that his country had re-

ceived no official word on visas

from the Nicaraguan government. But Mr. Aleman held up a letter

Wednesday that he said had been

sent to the Bahamas' Foreign Min-

istry informing them of his de-

1,241 Child Deaths

In Algeria Violence

ALGIERS — Muslim extremists have killed 1,241 children and left

30,000 orphaned since 1994 in Al-

geria, the Arabic-language news-

paper Al Khabar reported on Thurs-

day.
Thousands of civilians, mainly

living in isolated villages near the

capital, in poor urban areas or in

Algeria's western provinces, have

been massacred in the past two and a

Another newspaper, La Nouvelle Republique, said Thursday that more than 2,000 "terrorists" had

surrendered between February 1995

and December 1997. This followed

passage of a clemency decree on

Ash and sand spewed more than

6,000 feet into the air from the Pa-

caya volcano, showering nearby Guatemala City with a rain of gray

grit for hours. Authorities declared

an emergency for towns around the

base of the 8,420-foot (2,565-me-

ter) volcanó, 15 miles (25 miles)

Prime Minister Kamal Gan-

zouri of Egypt has revoked a print-

ing ban that stopped publication of many newspapers and magazines and was criticized as press censor-

ship, a cabinet official said Thurs-

day. No explanation was given for the lifting of the ban. (Reuters)

south of the capital.

the lifting of the ban.

For the Record

half years.

sau detention camp.

Wednesday in Miami.

itals, U.S. officials said.

"Both of these countries are close

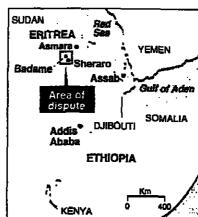
governments to practice restraint."

But in a statement Wednesday, the Ethiopian foreign minister, Seyoum Mesfin, said his country was running out of patience and would take "necessary measures" unless Eritrea immediately withdrew its troops. Eritrea denies that its forces are on Ethiopian soil.

'In case we go into full-scale conflict The crisis has worsened despite the efforts of Susan Rice, U.S. assistant sec-

retary of state for African affairs, who "Ethiopia would like the international has been shuttling between the two cap- community to appreciate how we handled the conflict imposed on us."

Mr. Seyoum delivered his message a friends of the United States," the State day after a pro-government Ethiopian Department spokesman, James Rubin, newspaper, Abiyowawi Democracy, acsaid in Washington. "We have urged both cused Eritrea of having deployed 20,000 troops along the frontier, digging trenches and building defenses around Bademe and a second town, Sheraro. The report could not be confirmed, although journalists who visited the region Sunday said thousands of Eritrean troops had taken up defensive positions.



The crisis erupted last week, when have remained staunch allies. Eritrean Ethiopia accused Eritrea of invading its rebels played a pivotal role in the aldue to Eritrea's failure to heed territory. The countries have disagreed liance of Ethiopian rebel groups that



Prime Minister Tony Blair of Britain greeting Royal Irish Regiment troops Thursday on a visit to County Down.

IRELAND: 'Yes' and 'No' Both Stir Strong Emotions in the North

Continued from Page 1

With characteristic thrift, the government in Dublin has also put a referendum same day will save money for the Re-

The polls and the politicians here all agree that the peace plan will breeze to approval in Ireland by a large margin. A majority "yes" vote is also likely in the north, but the political calculations

here are more complicated. A simple majority may not be enough to assure that the peace process goes

The peace plan establishes a Northern ibly, a body tl place the British government as the local governing authority.

If the unyielding opponents of the peace plan win a significant number of seats, they could block legislation required to implement the agreement.

Accordingly, the people of this highly politicized province will watch the results of Friday's voting to gauge the likely composition of the new assembly.

It is generally agreed that a "yes" vote of 70 percent or more in the North will suggest that the assembly membership will strongly back the plan. If the "yes" vote is less than 60 percent, the assembly could conceivably become a house of stalemate.

"There will never be peace here," said Mary Rice, a Protestant mother from East Belfast whose right forearm is tattooed with a smiling kitten.

'Too many families have been hurt to forget everything now and just start over," she said.

To Mrs. Rice, the crucial element in Friday's vote is fear of the future.

"I don't know if this deal will work," she said. "If my wee son Gary comes about the European Union on the same home and says he's engaged, but he's ballot. This has nothing to do with the not sure this is the right girl, what should peace plan, but holding both votes on the a mum say? Should I tell him, just take a chance? Say 'yes' to a chance? It's right

> Norma Kane, who was shopping along Belfast's Shankill Road, was also thinking of her son. But she had come to a different conclusion.

"I have a son who's 20," she said. 'He's known nothing but troubles. I'd hate to see him go another 20. I'll be voting 'yes' and hope that it works."

"This could end the bombing George McKnight, a civil servant, beating of people in Ireland."

said he expected the referendum to pass, although he is a determined "no" voter, calling the plan a surrender to terrorists on the Irish Republican Army side. 'The violence has won," he said.

They got everything they wanted." Albert Murray, a Roman Catholic student who was walking through the old red brick campus of Queens University in Belfast, said he thanked his stars for giving him a chance to vote "yes" in an election that he is convinced will change Northern Ireland forever.

"It's a bit of history, isn't it?" Mr. Murray said. "And not a wee bit of "This could end the bombing and the

Yeltsin Forms **Crisis Group** To Tackle Pay For Miners

Compiled by Our Stoff From Disposeters

MOSCOW -- President Boris Yeltsin set up a crisis group Thursday to tackle unpaid miners' complaints, but he faced a fresh problem on Russia's sensitive southern flank where hundreds of armed men briefly occupied a government building in the capital of the southern region of Dagestan.

The miners kept up protests that have paralyzed vital rail routes as their union leaders urged them not to return to work until they are paid.

In a bit of good news for Mr. Yeltsin, the opposition Communists said they would put off for at least a week an

attempt to impeach him.
Nobody should think that there are differences between the branches of power at this complex time for society." Yegor Stroyev, speaker of the upper chamber of Parliament, said in televised remarks after meeting with Mr.

Mr. Stroyev added that Mr. Yeltsin's crisis commission on the miners would convene early next month.

Meanwhile, Sergei Kiriyenko, prime minister for barely a month, reported that the country's twitchy financial markets were under control. Russian shares were negligibly firmer on domestic factors and in response to President Suharto's decision to step down in Indonesia.

'The situation was, is and will be under the control of the government and the central bank," Russian press agen-cies quoted Mr. Kiriyenko as having told his cabinet. "There is no chance of unsettling the Russian financial market."

A senior Russian government source said that Moscow expected the International Monetary Fund to approve in the next few days the next \$670 million installment of a \$9.2 billion loan worked out in 1996. An IMF monitoring team is

"The situation definitely looks more stable at the moment," said a trader at a Western bank, referring to the markets.

Things looked far from stable in Makhachkala, capital of the Russian region of Dagestan, a fragile patchwork of about 30 mainly Muslim ethnic groups that borders breakaway Chechnya. Hundreds of armed men occupied a

local government building, a police spokesman said by telephone. Dagestani officials later reached a deal with the gunmen, agreeing to let them leave without any intervention by the authorities, Russian press agencies reported.

Some Russian media described the action as an attempted local coup by a group favoring more Islamic rule. There has been a spate of violence in Dagestan in recent months. (Reuters. AFP)

Main Provisions of the Belfast Accord in Irish Referendums

Following are the main political provisions of the Belfast accord, which faces referendums Friday in Northern Ireland and the Republic of Ireland:

NORTHERN IRELAND AS-SEMBLY: The Assembly, to be elected June 25, would have 108 members -six selected from each of Northern Ireland's 18 British parliamentary constituencies. It would gradually take over responsibilities in all areas except security and prisons policies from Britain, which assumed "direct rule" in 1972.

To ensure that neither bloc -- pro-British Protestant or Irish Catholic could impose its will, controversial issues would have to receive either a "weighted majority," at least 60 per-cent approval, or "parallel consent,"

at least 50 percent each from Protestant and Catholic blocs.

EXECUTIVE: Twelve Assembly members from several parties would form the Executive, a cabinet-style administration for Northern Ireland. Its members would represent Northern Ireland in dealings with the Irish Republic. The top post would be "first minister" and probably Protestant, the No. 2 spot "deputy first minister" and probably Catholic. Critically for Protestants, ministers' decisions would have to be "endorsed by the Assembly as a whole."

NORTH-SOUTH MINISTERI-AL COUNCIL: The forum for min-Ireland Executive.

Ministers would meet on mutually agreed areas of common interest agriculture, tourism, environmental protection, welfare fraud control and transport are suggested fields. The agreement requires the Executive to reach agreement on how to handle its cross-border relations by January 1999. Otherwise, the British government reserves the right to suspend or abolish the entire Northern Ireland Assembly.

BRITISH-IRISH COUNCIL: Lawmakers from the British and Irish parliaments, new devolved administrations for Scotland and Wales, the new Northern Ireland Assembly and representatives of Britain's Isle of Man isters from the Irish Republic to pursue and Channel Islands would meet twice joint policy-making with the Northern yearly at summit level "to agree common policies or common actions.'

UNIVERSITY: Bulgaria-U.S. Hybrid

Continued from Page 1

obtained by American secondary-school

learned their English, and their test-passing agility, by studying in their own country at "language high schools" country at "language high schools," special fast-track schools that enabled the Communist regime to turn gifted students into world-class linguists.

Aspiring to provide a liberal-arts education, AUBG emphasizes problem-solving in its teaching, even though the curriculum is weighted toward practical business applications. Economics and literature take a back seat to management and communications, skills in short supply in East European business.

"All these kids really want to learn stuff from the horse's mouth," said Bogdan Atanassov, a professor of English. Business in America has been successful so students want to learn from teachers from the United States."

Whereas Bulgaria's state-run universities pay professors separately for their nition to AUBG. The university in professors' responsibilities," said Mark Stefanovich, a professor of European archaeology.

And the concept of a "day" to celebrate lectures and their tests, AUBG "interior is close to its own U.S. accreditation.

A STATE OF THE PARTY OF THE PAR

East European universities are "stove pipes," said Rumen Rashchov, an AUand the pe BG senior from Ploydiv in eastern Bulgaria. "I mean, you stay with the same group of people who enter your specialty and come out with you, and you only really see them when you study together Foundation run by Mr. Panitza. Computer

A Commence of the Commence of

exams at Sofia University, the country's biggest and best-known faculty, "I had to find some woman in a dark office who rummaged

different. One of them, John Panitza, a Bulgarian, quit a journalistic career spent mostly as managing editor of Reader's Digest in Europe to devote himself to helping his native country. Mr. Panitza, whose family included politicians and bankers who participated in the Westernization of the country before the Communist takeover, dreamed of a U.S.-style university as the cornerstone of his country's renewal

His idea was shared by John Menzies, the representative in Sofia of the U.S. Agency for International Development, who

Equally important was George Soros, the Hungarian-American billionaire who has been a one-man philanthropic demiurge in the former Communist countries.

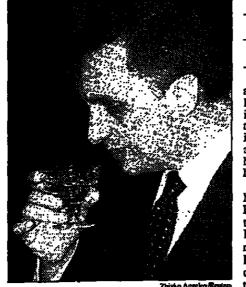
All three were enthused when Blagoevgrad, a small city in the southwest corner of the country wedged between Serbia, Macedonia and Greece, offered to turn over the party's regional headquarters to the American venture.

Today it houses the region's largest library of books in English after acquiring. a 90,000-volume collection last year from a U.S. university, largely through the efforts of the Free and Democratic Bulgaria a strong electronic infrastructure.

persuaded friends at the University Kostov of Bulgaria celebrating his govof Maine to extend degree recog-

are on full scholarship - an acknowledement that a wave of hyperinflation two years ago wiped out almost all existing savings in the country.

up, looking ill at ease. Will the senior class please stand and



CHEERS - Prime Minister Ivan

mittion, room, board and books. Some foreign students pay, but all Bulgarians a lightning rod for public outrage at

This paternalism came through unabashed at Commencement when Julia Watkins, 60, AUBG's president, asked with smiling firmness in English and in Bulgarian that the parents of graduating students rise. A few dozen families stood

said. As Westerners in the audience applauded, the students seized their cue and quickly joined the tribute. But it took a Elena Poptodorova, 40, a memoer or the Bulgarian Parliament and of the AU-bG board, recalled that after passing her a strong electronic marasurature.

A year's study at AUBG costs nearly moment before the parents seemed to feel comfortable with this brave new world.

Argentine Suicide Linked to Journalist's Death By Anthony Faiola

Washington Post Service

BUENOS AIRES - Alfredo Yabran, a shadowy and furiously private mil-lionaire suspected of ordering the slay-ing of an Argentine journalist in one of this country's most notorious homicides, apparently shot himself to death at his lavish ranch a few hours north of here as police were preparing to arrest him, local media reported.

Mr. Yabran, widely reputed to have had close ties within the government of President Carlos Menem, had been on the run since Friday, when Judge Jose Luis Macchi ordered his arrest in connection with last year's slaying of Jose Luis Cabezas, a photographer for the crusading magazine Noticias who had taken the first known picture of Mr. Yabran in decades.

Before his apparent suicide Wednesday, Mr. Yabran had become one of the most demonized figures in Argentina. The son of Lebanese immigrants became violence against journalists and a symbol of the "new rich" who have prospered during Argentina's transformation to a free-market economy in the 1990s.

Mr. Yabran, 53, was accused of having Mafia ties, and that helped fuel a national movement against him after Mr. Cabezas was found shot to death. The iournalist's handcuffed body was found burned in a car near the posh beach resort of Pinamar, south of Buenos Aires. The style of execution was reminiscent of the face your parents, thanking them for their vay Argentina's former military regime roles in getting you here?" Mrs. Watkins assassinated its political opponents. which served to ignite the fury of Argentines even more. Vigils, church services and rallies in support of Mr. Cabezas were held nationwide.

Buenos Aires police officers and

of Mr. Cabezas, though the judge investigating the case put out an arrest told reporters. warrant for Mr. Yabran only on Friday. The warrant came after the wife of Gustavo Prellezo, one of the main suspects in the case, said her husband was working

Friends of Mr. Yabran said Tuesday that he felt surrounded and strangled by Yabran's and had been found with self-the public manhunt. "He did it because inflicted gunshot wounds to the head.

former Yabran security guards have he did not want his children to see him been arrested or implicated in the killing humiliated and handcuffed," Carlos Mourino, a former Yabran bodyguard,

There were conflicting reports about Mr. Yabran's apparent suicide, and some in Argentina suggested the body found at his ranch may have been a for Mr. Yabran when he took part in the double, not Mr. Yabran. But television and radio stations cited local authorities who confirmed the body was Mr.

Privileges for a Jailed Heiress

By Jennifer Ordonez Washington Post Service

WASHINGTON - For Susan Cummings, serving a sentence for voluntary manslaughter in Virginia's Fauquier County jail has no: exactly been rigorous.

Before the Virginia arms heiress even showed up Saturday to begin 60 days of imprisonment for killing her her jailers relaxed the rules. Prisoners lover, a polo-playing Argentine, other are generally allowed no more than prisoners were cleared out of the women's cell block so she could pay her debt minutes, only on weekend days. Ms. to society in private. Her dormitorystyle room has its own telephone.

Sheriff Joseph Higgs transferred five prisoners to jails in neighboring communities — at an estimated cost to administers the facility. county taxpayers of \$40 per prisoner per day - out of concern for Ms. Cummings's safety, a spokesman said. Officials said they feared that Ms. Cummings's light sentence might lead

longer sentences for lesser crimes.

charged with first-degree murder for shooting Roberto Villegas, 38, four times at close range on Sept. 7 at her 350-acre (140-hectare) estate near Warrenton, Virginia. She pleaded self-defense. The jury convicted her May 13 of voluntary manslaughter, recommending a 60-day sentence that Ms. Cummings readily accepted. Once Ms. Cummings was inside,

three visitors, for no more than 30 Cummings, though, has been permitted to entertain multiple visitors for hours each day, said Major David Flohr of the sheriff's department, who

"All I can say is that I work for Sheriff Higgs and follow his orders,' Mr. Flohr said Wednesday. The sheriff, who was traveling that day, did not return messages left at his office.

to friction with other inmates serving Ms. Cummings's attorney, Blair Howard, said he had made no special Ms. Cummings, 35, had been requests for his client.

At Wrong Moment, Sein Fein Sent a Troubling Image to Voters

By Richard L. Berke

BELFAST — It is every political campaign's worst fear: everything at risk with one searing image.

It happened to President George Bush when he tapped into voters' fears that he was out of touch by checking his watch three times during a debate with Bill Clinton. It happened to Michael Dukakis when he tapped into voters' fears that he was militarily challenged by playing Snoopy in a tank.

Now the curse of the indelible image. the one that crystallizes anxieties and gnaws at voters, has struck Gerry

By Tom Buerkle

LONDON — The government of Prime Minister Tony Blair andertook an

ambitious attempt on Thursday to roll

back the labor-market deregulation of the

Thatcher era by unveiling a package of

proposals to guarantee a worker's right to

union representation and strengthen pro-

their membership dwindle by nearly 50

percent during 18 years of Conservative

government, largely welcomed the pro-

posals as their first major payback since

John Monks, leader of the Trade Un-

ion Congress, said the proposals were "broadly very favorable." Employers

leveled harsh criticism at the plans,

however, in what amounted to the first

serious breach between Mr. Blair's gov-

ernment and the business community.

the employer back to the employee,

"It's part of a package that undeni-ably pushes the balance of power from

said Ruth Lea, head of policy at the

Institute of Directors, one of the coun-

try's main business groups. 'For us, it's a retrograde step. It could lead to quite a

the Conservative Party, said the gov-

ernment was "out to turn the clock back"

in a way that was bad for business.

John Redwood, trade spokesman for

Mr. Blair has enjoyed a yearlong hon-

eymoon while offering vague talk of a

third way of economic policy that es-

chews both the laissez-faire attitude of

the Thatcher years and the government

intervention of past Labour govern-ments. But the Tory reaction to Thurs-

day's proposals gave a taste of more-

difficult times ahead as Mr. Blair's gov-

ernment begins implementing policies in

The government was buffeted this

week by news that hospital waiting lists,

which Labour vowed to cut in one of its

few election promises, have risen in the

The issue of employee rights has been

a particularly treacherous minefield be-

a range of trouble areas.

lot of friction in the workplace."

the Labour Party took office last year.

Britain's union leaders, who saw

tection against unfair dismissals.

New Labour, Old Goal:

Strong Workers' Unions

Adams — at just the moment he seemed to be successfully negotiating Northern Ireland's treacherous shoals from rifle to ballot box, from rebel to high-ranking

Mr. Adams, the president of Sinn Fein, the political wing of the Irish Republican Army, and a linchpin of the jittery coalition trying to win a referendum here and in the Irish Republic on Friday on the Northern Ireland peace agreement, made the blunder at a party convention on May 10.

He took to the stage surrounded by strutting IRA guerrillas who had been released from prison to attend the event. The "yes" campaign, while still ex-

between unions — the Labour Party's

traditional supporters whose grip on

party policy has been drastically reduced

under New Labour - and business lead-

Aides to Mr. Blair insisted that the

government had consulted widely and

that the proposals contained something

for unions and employers. Margaret

Beckett, minister for trade and industry

who presented the proposals in Par-

liament, called them "a balanced pack-

age of measures which will promote

The proposals included these steps:

ognize unions that are supported by 40

percent of employees in a union re-

• A right for any employee, union-

ized or not, to be represented by a union official in a disciplinary or grievance

A measure to extend legal protection against unfair dismissal to workers

with one year on the job, down from two

• Granting part-time workers the same protections as full-time workers.

intends to turn into legislation next year,

follow Labour's decision last year to

bring Britain under the European Social

Protocol, which mandates worker con-

sultation in large companies. Labour

also plans to introduce a minimum wage

next year, and a commission is expected

to recommend a starting rate of £3.60

(\$5.88) an hour in coming days.

"These are not business-friendly policies." Ms. Lea said.

The right to union recognition has

been a rallying cry for organized labor

ever since Lady Thatcher's government

Mr. Blair had committed his gov-

ernment to restoring the right, but the 40

percent threshold has angered many un-

ion officials, who instead argued for a

simple majority of workers voting. Mr.

Monks said the Trade Union Congress

abolished the right in 1980.

The proposals, which the government

· A requirement that companies rec-

ers, who Mr. Blair has courted.

fairness at work."

cognition ballot.

years currently.

pected to prevail, took a dive in the polls. Suddenly, all the Protestants in Northern Ireland were obsessed about marauding prisoners taking over Northern Ireland and terrorists in black masks

holding high government positions.

Mr. Adams's unionist partners were livid - some publicly attacked him and the accord's opponents gleefully mocked the cocky tableau. They also used it to stoke fears over the agreement's provision for the accelerated release of political prisoners.

One anti-referendum advertisement in newspapers this week painted this picture if the accord is approved: "We got murderers on the street, godfathers

in government and gangsters acting as police."

On Wednesday, just two days before the voting, supporters of the agreement were still struggling to overcome the political damage, hoping that a concert by the wildly popular rock group U2 ill have erased the stench.

The gaffe had such serious reverberations because it underscored the tensions in one of the most fragile coalitions in history, consisting of partners who may loathe each other, may not speak outside the negotiations, but who are manacled together by the agreement.

David Trimble, head of the largest unionist party, who backs the agreement, branded the assemblage "a disgusting display.

Officials involved with the campaign for the accord said that was a major reason why U2 scheduled its special appearance on the referendum's behalf here this week. And it explains why Prime Minister Tony Blair of Britain flew to the town of Coleraine north of here Wednesday and pledged that prisoners would be kept in jail unless they gave up their criminal activity for good.

In a television interview, Mr. Blair declared, "Who could feel anything but revulsion with prisoners parading themselves about?"

In a rare admission of failure, Mr. Adams, in an interview here, referred to the event as "my mistake."

But British and Irish officials now concede privately that it was a huge miscalculation for them to allow the temporary release of seven prominent IRA prisoners so they could appear at the Sinn Fein convention in Dublin on May 10.

The spectacle of defiant guerrillas who had served sentences for bombings and shootings drawing thunderous applause as they appeared on stage with Mr. Adams infuriated many voters. While Catholics are widely behind

the agreement, Protestants are divided and polls show that the event in Dublin — which has been repeated again and again on television — has been the biggest single factor causing them to turn against the agreement.

That took quite a few chunks out of the 'yes' campaign," said a senior Brit-ish government official who spoke on the condition of anonymity. "It shoved a lot of 'don't knows' into the 'no' category. And there's some evidence that even some moderate nationalists were turned off by the obvious triumphalism of the guys. It's the way they were treated — and the way they behaved."

Seeking to allay voters' fears about prisoners taking over the streets, backers of the accord have contended that many prisoners would be eligible for release in a year or two anyway.

Pressing its argument that terrorists of the past can become good citizens of today, the "yes" campaign called a news conference Wednesday at which it produced three former prisoners on the unionist side. In contrast to the swaggering inmates at the Sinn Fein conference, these men looked meek, repentant — and respectable.

"I'm sorry, I'm sorry, I'm sorry for what I have done," said James Tate, a carpenter who went to prison in the 1970s for possession of a gun and now is in a Christian support group with other former prisoners, including reformed IRA terrorists.

In Belfast, a city of intrigue, there was immediate speculation that the acute and brash Sinn Fein leader was either deliberately trying to scuttle the agreement or show he was not under the thumb of his Union Jack partners.

But Mr. Adams, in the interview at the heavily guarded Sinn Fein compound here, insisted that he had not intended to turn the event into such a spectacle, and he acknowledged that he had misjudged the situation.

say, was the actual emotional effect," he said. "I can understand how some people could be offended bad. But I can

Bonn Suspends Waste Shipments

BRIEFLY

BONN — The Environment Ministry on Thursday halted until further notice the transport of all combustible nuclear material within Germany and to other countries: after revelations of contamination in convoys bound for France.

"There will be no transport of combustible nuclear material within Germany or to reprocessing centers abroad until appropriate measures — for example improved cleaning procedures before transport - provide assurances that such contaminations will not take place again." the ministry said.
On Wednesday, the ministry an-

nounced the suspension of waste shipments to Britain and France. following reports of radiation leaks in convoys to France. Earlier this month, the authorities revealed that there had been 11 cases of excess radioactivity on German waste convoys in 1997 out of a total of 55

Turkey Shuns EU

ANKARA - Turkey, whose ties with the European Union are badly strained, will not send its foreign minister to a meeting with EU ministers in Brussels on Monday, a government source said Thursday.

The conditions for this meeting have not attained the necessary maturity," the source said.

Ankara warned Wednesday that Foreign Minister Ismail Cem would not attend the meeting of the Association Council with the European Union if EU member states did not overrule a veto by Greece on financial aid to Turkey. (AFP)

For the Record

The Greek authorities, who last month confiscated several guns shaped like key rings, have now seized two "ballpoint pens" ca-pable of firing .22 caliber bullets, Greek newspapers reported Thursday. The Athens News said the police had detained an Albanian man in northern Greece on Wednesday after finding two pen guns and four rounds of ammunition in

understand how others wanted to be offended bad, and seized upon it."

Yet Mr. Adams' remorse only went so far; he reminded reporters that four of the men who appeared with him on stage "were buried for 24 years in a British prison - I was glad they were there. I asked for them to be there.

Publicly, British officials sought to play down the damage caused by the

Mo Mowlam, secretary of state for as to concede that it "increased some of the doubts and discontent in the unionist



Deborah Parry, concealed by a blanket from the press, is hustled through Gatwick Airport on Thursday by her sister, Sandra Ashbee.

2 Nurses, Back on British Soil, Are Assailed on Sale of Stories

LONDON - Two British nurses

convicted in the murder of an Australian colleague in Saudi Arabia returned home on Thursday to a welcome mixed with castigation for selling their

stories to tabloid newspapers.

The two — Deborah Parry, convicted of murdering Yvonne Gilford, and Lucille McLauchlan, convicted of being an accessory — left Gatwick nesses in Saudi Arabia. Airport without commenting to the press. They were freed by King Fahd as 'an act of mercy,' while still considered guilty by the Saudi authorities.

Miss Parry, 39, left with representatives of London's Express news-

paper, and Miss McLauchlan, 32, was whisked away by helicopter to her native Scotland where she faces charges of fraudulently using a dying AIDS patient's credit card before leaving to take the Saudi contract. Miss Parry's lawyer, Rodger Pan-

none, said that his client, who has sold her story for a reported £60,000 pounds (\$96,000), was "too exhausted" to talk. Miss Parry was convicted of fatally

stabbing Miss Gilford, 55. She was spared after Miss Gilford's brother waived his right to demand the death penalty under Islamic law in exchange for £750,000 paid by British busi-

Miss McLauchlan, who has sold her story to the Daily Mirror for what the newspaper calls a "substantial sum," was sentenced to eight years in prison and 500 lashes.

■ 'Blood Money' for Nurses?

The brother of Miss Gilford said Thursday that the two nurses convicted of the killing had accepted media "blood money" for telling their stories to newspapers, Renters reported from Adelaide, Australia.

sought to influence government policy rather than oppose it outright. The threshold "ensures that union recognition will only happen when workers overwhelmingly want it," said John Cridland,

The threshold represented a victory for Mr. Cridland also welcomed the fact the Confederation of British Industry, a that small companies with fewer than 20 cause it has forced Mr. Blair to take sides more-moderate business lobby that has employees would be exempt from the

new regulations, and that individuals would be allowed to strike separate deals with employers even in unionized companies

Unions in Britain currently have percent of the work force, down from a peak of more than 12 million, or more than 60 percent, in 1980.

ASIA/PACIFIC

India Turns Down Heat In Post-Test War of Words

Moratorium on Nuclear Blasts Announced

By Kenneth J. Cooper Washington Post Service

NEW DELHI - India pulled back on Thursday from a series of heated diplomatic exchanges made in the aftermath of its nuclear tests last week and sent conciliatory signals to Pakistan, China and the United States.

New Delhi also delivered an even broader message to critics around the world, announcing a moratorium on nuclear tests and restating a willingness to negotiate an agreement on a formal

ban.
"Now there is a moratorium on tests," said Brajesh Mishra, a senior government official. "We would like to formalize this moratorium into a formal obligation. We are prepared for those

The diplomatic overtures marked a shift in the post-testing posture of the coalition government led by the Bharatiya Janata Party, which has as one of its goals the projection of a strong India internationally. The government of Prime Minister Atal Bihari Vajpayee underscored the import of its new conciliatory stance by substituting Mr. Mishra, Mr. Vajpayee's top aide and a former ambassador to the United Nations, for a Foreign Ministry spokesman

at a regular briefing.

Escalating recriminations between India and Pakistan about each other's intentions in Kashmir had sounded provocative enough to raise fears in both countries of a third war over the disputed Himalayan territory.

There is no question of a war with Pakistan," Mr. Mishra replied when an Indian journalist asked whether India would bomb camps of suspected militant insurgents inside Pakistan. "We're not going in for a war with Pakistan."

The cabinet minister in charge of India's domestic security, Home Minister L. K. Advani, warned Pakistan on Monday against trying to boost a sep-aratist insurgency in the Indian-controlled part of Kashmir.

Prime Minister Nawaz Sharif of Pakistan responded Tuesday with an accusation that India had threatened to

attack the part of the territory under Pakistan's control.

In more diplomatic language than Mr. Vajpayee used Wednesday after he visited the nuclear testing site, Mr. Mishra repeated an offer to resume bilateral talks with Pakistan, which broke off last year over the Kashmir issue. He said that Mr. Vajpayee's condescending statement that the bilateral talks could continue if Pakistan approached India first, only meant that India awaits Pakistan's response to an unspecified proposal that a previous coalition govmment made in January.

Mr. Mishra also sought to ease ten-sions with China, which has criticized the nuclear tests and charged India with occupying Chinese territory in India's far northeast. Pakistan's top diplomat returned Wednesday from Beijing, where he sought security guarantees from China, according to Asian diplomats. "We want to have very good relations with China," Mr. Mishra said.

Indian analysts have consistently described the nation's larger neighbor as more of a security threat than the smaller Pakistan, which India has defeated in three wars since 1947. The testing may have fulfilled part of India's yearning for more international respect as the second most populous country in the world. China's comments were its first ever about India's nuclear program, according to Jasjit Singh, director of the Institute for Defense Studies and Analyses in New Delhi.

Concerning the United States, Mr. Mishra characterized as "regrettable" heated exchanges that included the State Department accusing India of duping American officials about its nuclear testing plans and condemning Mr. Advani for his remarks about Pakistan. India had responded by charging State Department officials with using undip-

omatic language.
"We hope that is behind us" and more normal interaction would be possible from now on," Mr. Mishra said.

Thursday denounced India's nuclear tests

■ Afghan Envoy Condemns Tests Afghanistan's Taleban government on



Indian soldiers standing guard on shattered ground at the Pokaran nuclear test site. Meanwhile, a militant Hindu group vowed to celebrate the blasts by spraying dust from the test zone around the country.

reported from Islamabad, Pakistan.
"We totally condemn the Indian nu-

clear tests," the ambassador to Pakistan, Abdul Hakim Mujahid, said in Islamabad in the first Afghan reaction to the blasts.

"We consider it an action not only against Pakistan but against the whole Islamic world," he said. Mr. Mujahid said he wondered why

action against India for the blasts. "If Pakistan had done this, the whole world would have turned against it, but

we do not see any affective blockade against India," he said. The Taleban government, which controls more than two-thirds of Afghanistan, is recognized only by Pakistan, Saudi Arabia and the United Arab Emir-

BRIEFLY

Bury Marcos Past, Estrada Urges

MANILA - President-elect Joseph Estrada announced Thursday that he would allow the late dictator Ferdinand Marcos to be buried in Manila's Heroes Cemetery because it was time to

entomb the past. If we can forgive the Japanese who raped many of our women, why can't we forgive President Marcos for all his sins, if ever there

are any?" Mr. Estrada said. Mr. Marcos's remains are kept in an air-conditioned, glass crypt in his hometown of Batac, north of

Mr. Marcos's successor, former President Corazon Aquino, who blamed him for the murder of her husband, Benigno Aquino, refused to allow Mr. Marcos to be buried in Heroes Cemetery.

Beijing Detains Rights Activist

BEUING - A leading democracy advocate who recently helped set up a human rights monitoring group was detained for 24 hours, and his fax machine, papers and letters and other items were confiscated.

Qin Yongmin, a 45-year-old resident of Wuhan in central China, said Thursday that public security agents arrested him at 8 A.M. Wednesday. He said two colleagues were also held overnight. (NYT)

Rockets Hit Kabul

KABUL — The Afghan capital came under rocket attack Thursday, but there were no immediate reports of casualties, residents said.

Three Soviet-made "Uragan" rockets, which have an effective range of about 70 kilometers (45 miles), landed in northeast Kabul, they said. One rocket landed inside the airport perimeter, but did not damage the runway.

A Clean Beach? In the EU, Try Greece and Italy

Reuters
BRUSSELS — Vacationers seeking the cleanest bathing waters in the Euro-pean Union should head for Greek and Italian beaches or Irish and Austrian lakes, according to the European Com-mission's 1997 bathing water report. Nineteen out of 20 Greek coastal sites

and 18 out of 20 Italian sites were described in the report as having excellent quality bathing waters. At least 17 out of 20 freshwater sites in Ireland and Austria met these standards.

But in general, bathers should head for the sea this summer if they want to find clean water. With the exception of Ireland and Finland, all countries in the 15-nation

bloc recorded better results for seabeaches than for freshwater sites.

Danish beaches scored high marks. followed by the Dutch, Spanish and Irish coasts. Belgium was at the bottom of the list, with only 20.5 percent of its beaches making the high-quality grade, although for the first time 100 percent of coastal sites met minimum standards.

Below that level, the European Union considers water to be too polluted with feces, oil and chemicals to be fit for

swimming.
Other laggards included Britain, where more than half the beaches failed to qualify as high quality. France, Germany and Portugal also fared poorly.

Several states failed to meet even minimum standards of cleanliness or monitoring. Finland and Sweden came out worst, with 34 percent and 20.4.

Percent respectively.
Over 90 percent of European coastal areas respected minimum standards, but 20 years after a bathing-water law came into force only four-fifths of the beaches had high-quality water.

There have been improvements in the cleanliness of Europe's vulnerable lakes and rivers. In 1996, only a third met minimum requirements. By 1997, nearly 80 percent complied.

Ireland and Austria had the most sparkling streams, with Danish, German and Italian inland waters not far behind. But the commission lashed out at Pornigal and Greece, where freshwater quality has deteriorated to the point where more than half the inland sites are break-

ing the law. Spain, the Netherlands, Sweden and France also had violations.

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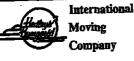
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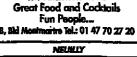
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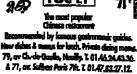
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Chinese Campaign Money

Chinese campaign money will not die, for the simple reason that there is too much evidence of wrongdoing to be suppressed or ignored. The House speaker, Newt Gingrich, is right, beyond argument, to demand a full investigation of the export of sensitive technology to China at a time when both the Chinese government and an American technology company were pouring money into Democratic accounts. But we differ with Mr. Gingrich when he says that the issue "has nothing to do with campaign finance" and is solely about national security.

Based on evidence already public, the security aspects of this mess cannot be separated from fund-raising conducted by President Bill Clinton and Vice President Al Gore. Mr. Gingrich is also wrong when he says that a House select committee is the best place for such an inquiry. The best choice remains an independent counsel who would take over the investigation of the Democrats' connection to Chinese money that is already under

way at the Justice Department. It is, admittedly, a complicated situation that has to be examined in sections. One section has to do with President Clinton's decision to overrule the State Department and liberalize the rules under which American companies like Loral Space & Communications could work with China on launching communications satellites.

This policy change benefiting Loral came as its chief executive, Bernard Schwartz, was giving huge donations to various Democratic campaign committees - \$632,000 in advance of the 1996 elections, making him the single largest donor to the Democrats - and after he went to China with then-Commerce Secretary Ron Brown. It has now been determined by federal investigators that the FBI and Senator Fred Thompson were right in warning that the Chinese government was sneaking money to the Democrats.

The key question is whether there were violations of the laws that make it illegal to exchange policy decisions for contributions.

Attorney General Janet Reno wasted a year before she unleashed a competent Justice Department team on this question. In the last few months, that team has produced much of what we now know. But the latest information is so serious that Ms. Reno's best service

The story of the White House and its now would be to forbid the pending transfer of Charles LaBella, the lead prosecutor, and to appoint an independent counsel to supervise the entire case. The intent of the Independent Counsel Act is clear. When so much troubling information comes so close to the White House, the attorney general cannot be in charge of investi-

gating her own boss. In our view, the appointment of an independent counsel would obviate the select investigative committee proposed by Mr. Gingrich. Such a committee would be split by partisanship, and should proceed only if Ms. Reno continues to block the appointment of an independent counsel.

However the China investigation is handled, we must not lose sight of the connection between the current mess and the campaign finance legislation that Mr. Gingrich is perversely trying to bury. Weak laws invited the scandalous practices of the 1996 campaign. Big contributions from corporations, individuals and unions with an interest in foreign and domestic policy decisions flowed to both Republican and Democratic campaigns. Now, at last, the House is to begin the debate on campaign legislation that the speaker was forced to schedule.

The biggest threat to reform lies in an attempt by Mr. Gingrich and others to draw out the process throughout the summer, possibly with hundreds of amendments. Other foes of change may try to fool the public by substituting meaningless reform, such as yet another commission to study campaign finance.

We continue to support a House measure sponsored by Christopher Shays of Connecticut and Martin Meehan of Massachusetts as the best way to clean up the system. It would ban openended "soft money" donations to the parties, as they are now banned for candidates, and apply existing fund-raising limits to broadcast campaign ads sponsored by independent groups.

Mr. Gingrich has assigned the job of derailing the Shays-Meehan bill to the Republican whip, Tom DeLay, Mr. DeLay has summed the situation up perfectly. "Money is not the root of all evil in politics," he said. "In fact,

money is the lifeblood of politics.' No serious person can argue that Americans want the system to work

-THE NEW YORK TIMES

Getting Down to Business With the Cool Kiriyenko

MOSCOW — Sergei Kiriyenko is a man you can do business with. In fact, he wishes you would. And soon.

Mr. Kiriyenko is the new, already embattled prime minister of Russia. In office a month, he is fighting off attacks on the ruble, trying to attract new foreign investment (yours is welcome) and declaring war on waste, fraud and abuse in the Russian budget.

For Mr. Kiriyenko, the chief business of Russia is business, not bigpower geopolitics or ideology. He fits the famous formula that Margaret Thatcher used to express early confidence in Mikhail Gorbachev far better than the former Soviet president ever did. Unlike any previous top leader here, Mr. Kiriyenko has actually experienced the ups and downs of working in the free market as a banker and an oil company executive.

On Wednesday, Mr. Kiriyenko quickly took control of the first interview he has given a foreign journalist since being confirmed in office by a hostile Duma to reassure nervous investors, foreign and domestic, about the state of the Russian economy and the firmness of spine of his new government.

He promised to indemnify or otherwise protect foreign shareholders adversely affected by a new Duma law about economic reform.

By Jim Hoagland

reducing their holdings in Russian utilities. He ruled out a devaluation of the Russian ruble, which came under attack this week and had to be defended by the central bank. And he emphasized throughout the 30-minute conversation that his young, reform-minded government was here to stay, despite widespread doubt in Moscow that this 35year-old technocrat will last out the year under the mercurial Boris Yeltsin.

"This government does have the will to secure its own interests," Mr. Kiriyenko said in his precise, cool way. "It is important that no one doubt this government's seriousness" and determination to undo the budgetary tangles that did in his predecessor, Viktor Chernomyrdin, who was peremptorily fired by Mr. Yeltsin in late March.

Physically, the stolid, gray Chernomyrdin was the central casting version of a Soviet apparatchik. When I interviewed him a year ago at the Russian White House, we met in the vast meeting room where the prime minister chairs the Russian cabinet. Mr. Chernomyrdin spent our talk hurling verbal thunderbolts at NATO's expansion and speaking unpersuasively

office overlooking the Moscow River. he spoke with a detailed and specific command of the day's interest and currency rates, and praised the "the classical measures" the central bank took in raising short-term interest rates sharply to steady the markets, which caimed Wednesday.

Mr. Yeltsin reached far across generational, political and temperamental divides to elevate Mr. Kiriyenko from his post as energy minister, where he had been less than a year. Mr. Kiriyenko, who went from university to private enterprise in the Volga River city of Nizhni Novgorod, added to the cabinet new faces who also have practical experience in Russia's fragile freemarket economy in the provinces.

Those appointments, and my conversation with Mr. Kiriyenko, suggest that President Yeltsin at some point a few months ago recognized that the Russian economy had reached a dead end and needed a dramatic new start. It is said in Moscow that he was pointed toward Mr. Kiriyenko by former Prime Minister Yegor Gaidar and Anatoli Chubais, the abrasive ex-privatization chief who took the opportunity of the April change to leave the government. With refreshing candor, Mr. Kiri-

Mr. Kiriyenko comes from a dif-ferent era and mind-set. Seated in his with the Communist-dominated Dama had contributed to the economic turbulence that has hit Russia. Equally damaging, he said, was "the new wave of the Asian crisis, which keeps investors cautious."

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A quarter-smile plays at the corner of his mouth as he speaks. His is a wellordered mind dealing with a chaotic situation. Mr. Kiriyenko gives the impression of knowing exactly what his last sentence will say when he begins

a paragraph.
Mr. Kiriyenko hopes to carve out the same privileged relationship with Vice President Al Gore that Mr. Chemomyrdin enjoyed. "I spoke to Vice President Gore on the telephone this week, and we began to make plans to meet in Moscow this summer." Mr. Kiriyenko said.

Although he is satirized here as a boy scout dropped deep into a threatening jungle with little training, Mr. Kiriyenko's youth and inexperience are seen as assets by some serious students of Russia. "There is some experience that is worth not having," says a U.S. official delighted to deal with Mr. Kiriyenko after making a career of dealing with people formed in the Soviet era.

The Washington Post.

War or Peace in Colombia: U.S. Can Make the Difference

WASHINGTON — The United States soon will By Bernard Aronson

overall political settlement, to

end all ties to drug trafficking

alternative economic develop-

ment for the peasants who grow

coca leaf and poppy in the re-gions under guerrilla control.

Moreover, the candidate po-sitioned to win Colombia's pres-

idency in the May 31 election is

Andres Pastrana, who four years

ago blew the whistle on drug

cartel campaign contributions to

the current president, Ernesto

Samper, Mr. Pastrana narrowly

lost to Mr. Samper in that elec-

tion. If he defeats Mr. Samper's

handpicked candidate, he will

wield the moral and political au-

thority necessary to garner in-ternational backing for a peace

process and to negotiate cred-

As Mr. Pastrana looks more like

may decide to assassinate him.

spread of education; urbaniza-

tion, which opens societies:

emigration and travel, and mod-

ern communications. Even re-

mote villages now often have

"This is producing a new

access to television and radio.

generation with fewer com-

plexes toward the West, one that

didn't live under colonialism

and is ready to be self-critical,

In his view, the main cata-

more mature." he said.

There are also grave dangers.

ibly with the guerrillas.

make a fateful decision about Colombia. We Americans will either help launch an international peace process that could end that country's 30-year guerrilla war - a war that last year claimed more than 6,000 lives. Or we will get deeply involved in prosecuting that war and risk allying ourselves with paramilitary forces that recently massacred 21 civilians, including a 4 year old, in a remote village in guerrilla-controlled territory.

The stakes for the hemisphere are high. Colombia supplies 80 percent of the world's cocaine. It is also the only country in Latin America whose guerrilla armies are growing stronger. They now control more than one-third of the nation. As the war expands, it risks spilling across the border into Venezuela, the No. 1 oil supplier to the United States.

Nevertheless, there are reasons for optimism. For the first time, a national consensus unites Colombian society in support of a negotiated settlement. In recent weeks, also, leaders of the largest

WINDHOEK. Namibia — The meeting's slogan was "African renaissance." But

Africa is experiencing more of

an awakening, a sense of urgent

need to join the producing

world, and is accepting the fact

that major efforts must come

pected at a gathering of political

and business leaders such as the

just-concluded World Econom-

ic Forum's 1998 Southern

Africa Economic Summit. But

a new air of optimism and a

candor about past failings gave

Hassan Ba, a 32-year-old

Senegalese who heads a

Geneva-based organization call-ed Synergies Africa, embodies

just begun," he said. "The first

was artificial, but four phenom-

ena are bringing new circum-

NEW YORK — Let's not be too quick to canonize

'A new decolonization has

substance to the hopes.

the spirit of change.

Self-promotion is to be ex-

from Africans themselves.

guerrilla army have sent mes- In 1990, the cartels murdered sages to Washington that they the leading anti-drug candidate. support a negotiated settlement. Attention should be paid. Unfortunately, the U.S. Con-The guerrillas offer, as part of an

gress and the administration are embroiled in an election-year argument about who is "soft" and to cooperate in promoting on Colombian narco-trafficking. Pressure is mounting on the administration to provide antiinsurgency training, intelli-gence and aid to help the beleaguered Colombian army defeat the guerrillas in the name of

fighting drug trafficking.
The army may need some short-term assistance following recent guerrilla victories. But the Colombian armed forces have not been able to defeat the guerrillas over three decades under eight different governments, and they will not defeat them in the foreseeable future at any acceptable political and moral cost, regardless of U.S. assistance.

The war is being waged, also, by irregular paramilitary forces some led by drug traffickers a winner, the drug traffickers and smugglers - which have massacred civilians accused of

A Practical New Generation Works to Get Africa Going

being guerrilla sympathizers. Allying with them would recall the worst days of El Salvador. The war has fostered instabil-

ity, violence and a weak gov-ernment with little or no authority over much of the countryside. That is the sea in which the drug traffickers swim. Widening the war will not reduce drug trafficking. Ending the war through negotiations would allow Colombians for the first time to isolate the drug cartels and their corrupt political allies.

The guerrillas began as committed Marxist-Leninists and currently finance their operations through kidnappings, extortion of oil pipeline companies and protection money from drug traffickers. No strategy for peace in Colombia should romanticize them. But before we start down the slippery slope of counterinsurgency, the guerrillas' offer to cooperate in ending coca leaf production in their zones should be tested seriously.

As we saw in El Salvador, Guaternala and now, perhaps, in Northern Ireland, there comes a time in the life of nations racked by bloody civil conflicts when the combatants grow weary of warfare, the larger society is pressing for peace, new political leaders emerge and the chance to gain concrete reforms through negotiation brings all sides to the bargaining table. Such a moment

may have come to Colombia. A successful peace process will require the active involvement of the UN, including, eventually, the deployment of peacekeepers. It also will require the participation of Latin American and European nations that have influence with the parties, as well as substantial resources from the development banks and donor nations to help substitute legal crops for coca, to finance reform of Colombian institutions and to retrain former combatants. In the end, peace will depend foremost on Colombians. But now, as in the past, U.S. leadership will be indispensable.

The writer was assistant secretary of state for inter-American affairs from June 1989 to July 1993. He contributed this com-

A Tobacco Bill

Will the Senate majority leader, Trent Lott, force a tobacco bill past the resisters in his own party this week. or will he allow the matter to be put off until after next week's Memorial Day

recess, meaning until June? The question is of more than acamic interest. The longer the Senate takes to finish the bill, the longer it will apparently be before the House begins to get its fragmented act together. But there are not that many legislative days left in this Congress. The members will work through June, take a week off in July for the Independence Day holiday, take their usual August vacation, return after Labor Day and adjourn, they hope, after the first full week in

Delay thus begins to matter, the more so because the tobacco bill is not alone. The House, for example, will only begin work on campaign finance reform this week; it is scheduled to finish after the recess. It has only begun work on the budget as well; the Budget Committee will report out a resolution this week, but there remains the floor — and conference - for that as well.

The appropriations process awaits the budget resolution. It was not even entirely clear that the two houses would complete work on the highway bill before going home — nor that, in their likely form, all parts of that bill will deserve to be enacted.

Neither house has dealt with the tobacco issue in the organized fashion that the subject warrants. The lack of an orderly process was evident when the Senate took up the bill this week. The Commerce Committee, to which Mr. Lott had assigned the task of writing the bill, included a section meant to compensate tobacco farmers and their communities for the damage they will likely suffer if the measure is successful in reducing Senate? smoking.

The majority leader over the weekend inserted instead a rival proposal by Agriculture Committee Chairman Richard Lugar and others, providing less compensation. Affronted Commerce Committee Democrats from tobacco states threatened to filibuster. That was one of the issues preoccupying the Senate as debate began. Another, which took much of Tuesday, was attorneys' fees for tobacco plaintiffs' lawyers. Those should be the footnotes to national tobacco policy. Making them into leading is-

sues instead is a recipe for delay. Mr. Lott's caucus is divided on the tobacco issue. He needs to step on toes if a bill is to pass.

A good bill will tax up the price of smoking despite the industry's ad campaign that tobacco has become a pretext for tax-and-spend. It will also reaffirm the Food and Drug Administration's regulatory authority over tobacco, including its marketing, and provide some money for cessation programs. It ought not to narrow the access to the courts of parties who have been damaged by tobacco in the past or who will be in the future. What to do with the proceeds of the higher tax should not be the tail that wags the rest

of the dog.
The Commerce Committee bill pushes in these directions, though it needs some strengthening; the Senate came close to bumping up the tax provisions Wednesday, despite only lukewarm administration support. More than a majority of the Senate appears prepared to approve the Commerce bill or something like it. Such a first step would keep alive, though hardly guarantee, the possibility of yet enacting a decent bill this year.

Does the leader lay some wood on the party naysayers to make it happen, or is it they who run the

-THE WASHINGTON POST.

Philip Knight, Nike's multi-

billionaire chairman and chief executive, managed to generate a lot of positive press last week when he announced that independent organizations would be allowed to inspect the overseas factories that make his company's products, that he would toughen the health and safety standards in the factories and that he would crack down on the use of child labor:

There is both merit and a lot of smoke in Mr. Knight's ini-

The admission into the plants of truly independent observers from local nongovernmental organizations would be a great advance

The proposed improvements in health and safety standards, which would bring them in line with U.S. standards, are also important. Footwear factories are equipped with heavy machinery that can cause serious injury, and much of the raw material

used in the factories is toxic. Mr. Knight's child labor initiative is another matter. It is a smoke screen. Child labor has not been a big problem with Nike, and Philip Knight knows that better than anyone. But public relations is public relations.

lysts for change have been the shift of regimes in South Africa and the end of the Cold War. With the Cold War's end came a disengagement of the West from Africa, which Mr. Ba said was "good for us" -the rising generation — if not for the regimes that lived by playing off the superpowers.

stances." He lists the major ele-

By Flora Lewis

Not since the beginning of ments of transformation as the colonialism has Africa felt so marginalized. It was a major stake in the 19th century fight for imperial turf, and in the superpower conflict in the second half of the 20th century. That is over, and people are coming to recognize that being left out means growing ever poorer, especially as populations explode. They want back on the international agenda, but as partners, and they

welcomed President Bill Clinton's recent trip.
"Nothing has been won yet," Mr. Ba said. "The key is

leadership. Peaceful African development was the theme of the former Nigerian leader Olesegun Obasanjo. How uncertain this goal remains is underscored by the fact that he is imprisoned by his country's dictator.

are speaking out in Africa, and it is now definitely out of fashion to attack democracy and the free market.

Botswana's president, Festus Mogae, expresses a conviction that can make a profound difference if it becomes more widely accepted. He considers democracy and free speech a modern version of the tribal tradition of consultation — therefore not some alien Western value but a truly indigenous one, part of the cultural heritage.

Botswana has long been the exception to the steady degradation and misgovernance of postcolonial Africa.

Namibia, the last colony to gain independence, has been learning from other's examples -- or mistakes, said Prime Minister Hage Geingob.

He acknowledged that during the long guerrilla war against South Africa, the dominant rebel group, SWAPO, was Communist-aided and

But the reality of struggle is different from the reality of governance," he said. "We understand that.

In private, at least, there is eneral distress that the new leader of Congo, Laurent Kabila, has not grasped the point not only because Congo remains disaster-land but because

Still, more and more voices its failings tend to reflect on other nations at a time when they are seeking a better image to attract investment. That is a persistent African

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complaint: that the rest of the world lumps its varied countries together and fails to distinguish the better performers.

On that score the summit meeting's Africa Competitiveness Report — which ranked 23 countries on their prospects and growth — was applauded, even if it provoked complaints, particularly from South Africa, that it was unfair and subjective on some issues. Mauritius, Tunisia, Botswana and Namibia were that top four. South Africa did no like being rated seventh, but by their nature the rankings spor

competition. At the same time, there is mounting emphasis on the need for regional cooperation to make better use of development projects and to have more bargaining power. There does seem to be a fair consensus now on what African countries need to do. The problem, and it is colossal, is how.

The new generation is starting to push hard. Said Prime Minister Geingob: "We want to move Africa from a continent of war and turnoil to a continent of people who are tired of suffering and ready to work." Flora Lewis

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Lull in the War

NEW YORK -- There is a move in the game of checkers when the last piece on the losing side is placed in a corner and can be moved to and fro but cannot get out and cannot be taken. Such is the position of the Spanish fleet. Although the American ships are all kings, and can move in any direction, they seem unable to drive the Spaniards out of their corner and end the game. This difficulty has caused a luli in war news, so that a stranger arriving in New York to-day [May 21] would never know that

1923: Italy's 'Miracle'

ROME — "Signor Mussolini is not a dictator. He is a trustee who has assumed responsibility for Italy's future, and who will relinguish power as soon as the country is restored to its former diligence and soundness," declared Mr. Irving Bush, the wellknown American business man, to-day [May 21] after a week of intensive study of the Italian situation. "My impression of Signor Mussolini is extremely favorable," he said. "I can say that my lasting impression is of a man who has made Italy get to work. That is no less than a miracle."

1948: State Takeover BELGRADE -- Hundreds of

privately-owned retail stores were

closed by government order to-day [May 21] as the state wiped out one of the last vestiges of private enterprises. The govern-ment acted swiftly. Officials arrived during the morning and notices were put in the display windows to the effect that the stores were nationalized. Then books and records were confiscated and an inventory of goods was begun. By a slow process of economic strangulation, the merchant class has dwindled sharply.

Herald Eribune

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By Bob Herbert

Nike Still Has Long Strides to Make

kids, and suddenly that's the headline.

Mr. Knight is like a three-card monte player. You have to keep a close eye on him at all times. The biggest problem with Nike is that its overseas workers make wretched, below-subsistence wages. It's not the minimum age that needs raising, it's the minimum wage. Most of the workers in Nike

factories in China and Vietnam make less than \$2 a day, well below the subsistence levels in those countries. In Indonesia the pay is less than \$1 a day. No wonder Mr. Knight has hillions.

Human rights organizations have been saying that Nike's overseas workers need to make the equivalent of at least \$3 a day to cover their basic food. shelter and clothing needs. Nike has not been listening.

Mr. Knight, in fact, has been trumpeting a recent pay in-crease that Nike's Indonesian workers received. It was less than \$3 a month. Even with the increase, the workers are making less than \$1 a day.

Nike blinked because it has been getting hammered in the marketplace and in the court of public opinion. As Mr. Knight So he announces that he is not going to let the factories hire become synonymous with slave wages, forced overtime and ar-

bitrary abuse." You bet. And the company's current strategy is to reshape its public image while doing as

little as possible for the workers. Does anyone think it was an accident that Nike set up shop in human rights sinkholes, where labor organizing was viewed as a criminal activity and deeply impoverished workers were willing, even eager, to take their places on assembly lines and work for next to nothing?

The abuses continue, even as Mr. Knight spends untold millions trying to show what a good guy he is. Two nights ago I spoke by phone to a woman in Vietnam named Lap Nguyen. She was called to my attention by Thuyen Nguyen (no relation), who runs Vietnam Labor Watch, an outfit that keeps a sharp eye on Nike.

Lap Nguyen worked in a factory that made Nikes. She made the mistake of speaking to American television reporters about corporal punishment and other problems on the job. Despite an a state of war existed. excellent employment history, she found herself demoted from team leader on an assembly line to toilet cleaner - a task, she said, that made her feel "ashamed." Last month she was

forced to resign. Nike has still got a long way

The New York Times

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OPINION/LETTERS

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It's Time to Rein In **Snooping Squads**

By William Safire

WASHINGTON — When reprimanded, the victim should receive a public apology, and Mr. Cohen should make it clear that no House intern had what the law calls "a reasonable expectation of privacy" - a right to assume she was not being surreptitiously recorded.

That means Ms. Tripp's secret taping of Ms. Lewinksy's declarations about her relationship with the president was not only faithless (and in certain jurisdictions, unlawful) but profoundly unethical. She diminished her friend's personal freedom.

Turn now to the recording of Webster Hubbell's jailhouse telephone conversations with his wife. That felon, a former associate attorney general, had no reasonable expectation of privacy on that phone; on the contrary, a large sign in English and Spanish made it clear that anything the prisoner said could be recorded and used against him.

We punish criminals by taking away their freedom and most of their privacy. They retain a shred, through use of an unmonitored line to consult with lawyers, but their punishment is the denial of

freedom. That is why I, a privacy nut even before having been wiretapped a generation ago, had no problem with congressional revelation of the White House squeeze being put on Mrs. Hubbell to make sure her hushed-up husband rolled over one more time.

As for Mr. Hubbell's so-called exculpatory comments not being released at first, they were examples of what FBI agents call "tickling the wire" - when someone, knowing he is being overheard, tosses in self-serving

statements. Turn now to example No. 3; the release by the Pentagon of information to a reporter showing that Linda Tripp did not reveal on her clearance forms that she had been arrested and released after a prank at the age of 19.

Although the Clinton witnessintimidation brigade may have triggered the original query, I do not believe that the White House ; leaned on the Pentagon to confirm the reporter's story.

Kenneth Bacon, the defense of-- ficial responsible, tells me, "I ment set the example in snoopery made a mistake, given the Privacy Act, and should have taken it to themselves to lose their expecthe lawvers."

Secretary William Cohen ordered sence of personal freedom is that his inspector-general to investi- right to be let alone. gate. Those responsible should be

such leakage will be tolerated. Multiply that intrusion by 900 and you have Filegate. That unprecedented raid on FBI files by the former tavern bouncer hired by the Clintons was ostensibly to vet" personnel, but more likely it snooped into the private lives of

former White House employees. When the log of requisitions for these FBI dossiers on Republicans showed six months torn out, the ensuing uproar caused the conflicted attorney general to refer this wholesale invasion of privacy to the independent counsel, Kenneth Starr.

His investigation has languished for two years, even as we have seen Clinton private operatives digging up dirt from non-FBI sources. But no indictments or exonerations have come from Mr. Starr. All those whose reasonable expectation of privacy was denied see dereliction of prosecutorial duty.

Carry this reasonable expectation into your own home. Suppose you use your credit card to pay for porno flick; you do not expect this to make you a target for latenight calls from every smut peddler who buys your number from the plastic list. Or suppose you are surfing the Internet; you do not want your curiosity monitored by a cyberstalker who makes you a target of telemarketers.

The Republican Party is missing the boat on this libertarian concern; for a year, the chairman of the House telecommunications subcommittee, Billy Tauzin of Louisiana, has been blocking a bill by the ranking Democrat on the subcommittee, Ed Markey of Massachusetts, to give Internet users the ability to detect and

block cyberstalking. Vice President Al Gore sees the appeal in protecting the Internet generation from unwanted commercial snooping and is calling a low-peak "privacy summit."

But Mr. Gore is in a policy bind: If he supports encryption, which is the name of the electronic privacy game, he infuriates FBI datatappers. So he waffles.

We must demand that governtation of privacy, they would then But a wrong was done. Defense lose privacy itself -and the es-

NEW YORK — The recent discovery of huge bursts of gamma radiation coming from far away in the universe is one of those mind-stretching advances that astronomers seem to be making with

increasing regularity. Like so many of the greatest discoveries of modern astronomy, such as pulsars and quasars, gamma-ray bursts were entirely

MEANWHILE

unexpected when they were first seen a few years ago.

Astronomy seems to be in a golden age of discovery. Surely, some people may think, the pace will slow down. There are technical limitations, and eventually our telescopes will not get any better.

But there are also more fundamental limits to what we can know about the universe. The greatest scientific advances usually follow a distinctive path: What begins as a tentative hypothesis gradually becomes a more coherent body of ideas. Eventually, the theory becomes so successful at providing explanations that some enthusiasts begin to predict that they

By John D. Barrow

will be able to use it to explain everything. But then at some point, the theory shows that we cannot determine certain things.

This happened with quantum theory when Werner Heisenberg predicted that we cannot exactly determine the location and motion of any particle of matter, even with perfect instruments.

Similarly, Albert Einstein revealed that relativity predicts that there is a limit to the speed with which we can receive, transmit or process information.

The great logician Kurt Gödel taught us that even in mathematics, the subject that seems to leave no room for uncertainty, there must be some statements whose truth or falsity can never be decided. In the same vein, Alan Turing, the inventor of computer science, showed us that there are operations of which we can conceive that no computer can carry out.

If we look to the stars, what might the limits be? All the information that we receive from the stars travels at the speed of light and no faster. Paradoxically, we

limit to how much of the universe we can years the most attractive theory of the see at any given time.

13 billion light-years since the expansion of the universe apparently began. This

Past the cosmic 'horizon,' even things like the number of dimensions of space or forces of nature might be different.

dictates a cosmic "horizon" beyond which we cannot see, even with perfect instruments. There may be an infinite amount of universe beyond the horizon, but we cannot see it, we cannot receive any signals from it and we cannot tell whether it is just like the part of the universe that we can see.

Until quite recently, this type of limit to ment to The New York Times.

never see things as they are now, only as they were when their light was emitted.

This means that there is a fundamental awkward philosophers. But in recent evolution and structure of our universe ---Light has been able to travel only about the so-called inflationary universe - predicts that the universe is radically different beyond our horizon.

Indeed, even things like the number of dimensions of space or forces of nature

might be different there. This ensures that we can never know whether the entire universe had a beginning, whether it is infinite or finite, or whether it is doomed to end someday. Astronomers can tell us only about the universe within our horizon.

But do not despair: It is 13 billion lightyears across, and what it contains is more than enough to keep astronomers occupied for another 13 billion years.

The writer director of the Astronomy Center at the University of Sussex in Brighton. England, is the author, most recently, of "Impossibility: The Limits of Science and the Science of Limits." He contributed this com-

LETTERS TO THE EDITOR

self for the 21st century. When will

can be a better partner of Amer-

NARENDRA SINGH SARILA.

The writer is a former Indian

Montreux, Switzerland.

ica's. Who wants weak friends?

amhassador to France.

Things Beyond Knowing, Things Beyond Our Universe

India's Nuclear Tests

So now India has sent its message with a bang. The consequences may be one of two: One would be the escalation, regional and global, of the nuclear arms race — devouring trillions of dollars that could be spent on the abolition of poverty — and even-tually ending in disaster, whether intentional or unintentional.

The alternative would be to go to the archives of more than a halfcentury ago, when this drama began with the explosions over Hiroshima and Nagasaki, and to wipe off the dust on the Baruch and Lilienthal plans for nuclear disarmament. These plans were based on the

awareness, which we have lost in the meantime, that it is impossible to control nuclear arms without international controls on the peaceful uses of nuclear energy.

Based on this conviction, Bernard Baruch and David Lilienthal proposed the establishment of an international agency to "own" all nuclear resources anywhere, as a common heritage of mankind, as it were, and to manage and control nuclear developments wherever they took place - to internationalize, manage and control the nuclear industry.

The plans failed, and had to fail. because this nuclear regime was to be imposed and dominated by the only power at the time that had a That was, understandably, unacceptable to the rest of the world.

Today, the situation is quite different, but the basic notion of the Baruch and Lilienthal plans remains valid. To take them up again might be the most constructive response to India's challenge. ELISABETH MANN BORGESE.

Halifax, Nova Scotia.

As a Pakistani, I can understand and endorse the Indian leadership's need to acquire nuclear capability. Had Pakistan been fortunate to have had sincere and honest leadership instead of corrupt and greedy politicians, this initiative would have been ours. A foreign policy of appeasement to ensure the security of family-run juntas has reduced Pakistan to a nation of beggars.

> TAIMOOR KHAN. Lahore Cantt, Pakistan.

Regarding "India Says Bomb's Power Surpassed All Estimates (May 18):

The writer says India's five tests were named "Shakti," which he calls "the Hindi-lanugage word for peace." "Shakti" means "strength." The Hindi word for peace is "shanti."

AJAY SINGH. Hong Kong.

In Washington there is frustration, even anger; in India, jubinuclear arsenal, the United States. lation and a feeling that at last the

nation is correctly positioning it-A Newcomer Capital

the twain meet? If India is stronger Regarding "After Centuries, a Mayor for London" (May 9): militarily and technologically, it The writer's claim that London

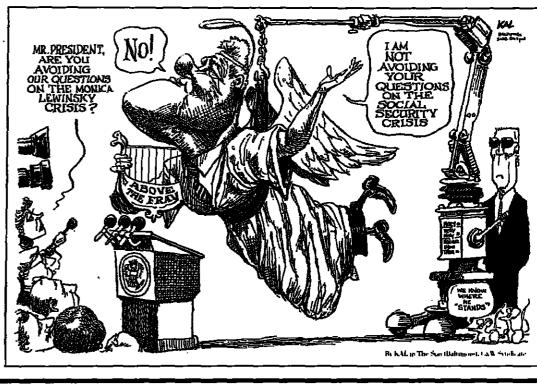
has been the capital city of England since Roman times is of debatable value.

Winchester was the virtual capital of England in the latter years of the first millennium and re-

mained the accepted capital until London emerged as a more important political and commercial center toward the middle of the 13th century under the reign of Henry III.

You can say, then, that London has been the capital of England for more than 700 years, not 2,000.

JESSICA SAVOCA. Geneva.



BRIDGE

BOOKS

Volume Three, The Border Trilogy:

. By Cormac McCarthy. : 292 pages. \$24. Knopf. Reviewed by

Michael Dirda A T the close of "All the Pretty Horses" (1992), the wonderful first volume in Cormac McCarthy's "Border Trilogy," 16-year-old John Grady Cole slowly rode west through a barren country, then 'passed and paled into the darkening land, the world to come.' He has emerged out of 1949 Mexico, having survived boyish adventures, a spell in prison, a forbidden love affair with a wealthy rancher's daughter, the death of a companion and nearmortal wounds from a savage

kaife fight.

His rite-of-passage story

— compared to Huckleberry Finn by critics, admired for its gravely lyrical prose, espe-cially in the description of landscape — earned Mc-Carthy the National Book Award and sudden recogni-tion as one of the finest living American writers.

Despite that best-seller's undoubted mastery, some of McCarthy's long-term fans groused that "Pretty Horses" had unduly toned down the author's magnificent, occasionally grandiloquent, ex-

In 1994 McCarthy brought out the next, rather longer, installment of his trilogy: "The Crossing." In general outline, the pattern of the second book resembled that of the first Young Billy Parham journeys three times into Mexico in the early 1940s, endures severe trials, including the death of his beloved younger brother Boyd, and in the end finds himself on a barren stretch of road, utterly bereft. The opening section of the novel - in which Billy captures a wolf and tries to return the displaced animal to its mountain habitat — is a starkly beautiful mini-epic of heroic endurance and disappointment.

In a rare interview the publicity-shy McCarthy was once asked about the relatively upbeat conclusion to "All the Pretty Horses": "You he answered. 'This may be certain story. Of how things Plain' feels too light with its haven't come to the end yet,"

CITIES OF THE PLAIN: nothing but a snare and a delusion to draw you in, thinking that all will be well."

'Cities of the Plain' makes clear that the gods have so arranged our lives as to guarantee that nobody is happy very often or for very long. From the very moment John Grady Cole — now 19, working on a ranch in New Mexico with 28-year-old Billy Parham - falls in love with Magdalena, the frail and soulful teenage prostitute of the White Lake brothel, you know that this couple isn't destined to live happily ever after. To add to the sense of imminent doom, the military is about to take over the ranch's land (for its base at Alamagordo), the ways of the cowboy are fast vanishing in 1952 and John Grady clearly possesses a soul too pure for younger brother. the corrupt modern world. He is like the animals he trains. In a good horse "you can see what's in his heart. He won't do one thing while you're watchin him and another when you aint. He's all of a piece. When you've got a horse to that place you cant hardly get him to do somethin

he knows is wrong."
In several ways "Cities of the Plain" feels quite different from the first two books of the series - more contemporary and urban, narrower in focus, at times over-emphatic. Of course, there are continuities, some subtle, with the previous volumes: Billy calls John Grady "bud" just as Lacey Rawlins used to in "Pretty Horses," and the relationship between the two friends mirrors the earlier one between Billy and his brother Boyd. As usual, McCarthy eschews psychological interiority -- we see what people do. rather than listen in on their thoughts. Conversations and descriptions take the place of

the stream of consciousness. Conrad once wrote that a man who is born falls into a dream like a man who falls into the sea. "Cities of the Plain" is largely about our human propensity for such Pretty Horses"—as different hopefulness and self-delu-

will be. In this story he will be thinner texture and familiar

story. Men have in their minds a picture of how the world will be. How they will be in that world. The world may be focused on the heartaches of many different ways for them but there is one world that will never be and that is the world they dream of." In an epilogue to the main story Billy patiently listens to an old Mexican recount an elaborate parable about life as a series of dreams, each em-

bedded within the next like little Russian dolls. By this time Billy is 78 years old and it is two years into the next millennium. The last novel of "The Border Trilogy" closes with an old man restlessly dreaming about his long-dead To my mind the love affair at the heart of "Cities of the Plain" seems overly conven-

tional, the sort of desolate tragedy commemorated in old pop songs. McCarthy's characters have often been types (e.g., "the kid"), but usually there was a compensating grandeur that lifted them into the mythic. At times John Grady recalls Billy Budd, Dostoyevsky's Christ-like Idiot or even Jesus himself --- but one feels the strings being pulled. Though the plot of "Cities

of the Plain" may be slightly disappointing, its language, especially in the descriptions of men at work, soars. Billy fixing an inner tube with a rubber-patch repair kit; John Grady cutting a calf out of a herd; the two of them roping wild dogs or rescuing some lost pups: One reads such passages as if they were poetry and they are.

There are superb scenes of men from the ranch studying the horses at an auction, trading stories of the Old West, or just sitting around a kitchen table. Of McCarthy's four West-

ern novels I think "Blood

Meridian" and "All the

as they are - deserve their reputations as masterpieces of postwar American literature. As Eduardo the pimp tells Billy, "Your friend is in the To my mind and ear, "The grip of an irrational passion. Crossing" is overburdened by its philosophical digres-Nothing you say to him will matter. He has in his head a sions, and "Cities of the

story line. But even faulting, "What is wrong with this somewhat diffidently, these story is that it is not a true last two books, I would never have wanted to miss reading them. These are grave and majestic novels, resolutely

> Turn to almost any page and you will light upon sharply observed details, painterly descriptions and the sound of real voices. Like the novelists he admires — Melville, Faulkner - McCarthy has created an imaginative oeuvre greater and deeper than any single book. Such writers wrestle with the gods themselves.

. Washington Post Service

By Alan Truscott

endish Invitational Pairs was existence, but striated \$1,112,000, slightly less than throughout with fatalistic joshing and sly humor. it had been a year earlier.

GROUP of 60 star bridge A partnerships was re-cently on the auction block in Las Vegas, Nevada. The total Calcutta pool at the Cav-

The Calcutta in effect establishes a ranking of favor-ites. At the top of the list were Pierre Chemia and Christian Mari of France, multiple after the auction shown. Zia's king to justify his vulnerable world charapions who were double of two hearts as West overcall and double. There Dostoyevsky, sold for \$55,000. Second at was Snapdragon: after three Scorthy has \$50,000 were David Berkow-suits have been bid, a double itz of Old Tappan, New Jer- shows length in the fourth sey, and Larry Cohen of Boca suit. This permitted Wein-Raton, Florida. stein as East to bid diamonds

> that will attract attention in ner to save in five diamonds the Cavendish is that of Zia would have failed by one

Montclair, New Jersey, who points to the eventual win-ners, Richard Schwartz and The spade i Keith Garber.

hand, reaching a contract that succeeds easily. But Schwartz bid a modest one club, permitting both partner-Another new partnership at the four-level, and his part-

Mahmood of Manhattan and trick, but North very reason- fense. South was ready to Steve Weinstein of Upper ably ventured five hearts. draw trumps and make his East's double was based on contract. sold for \$47,000. On the the belief that he had a trick in diagramed deal, they lost each black suit, but he was

The spade jack was led to the ace, and East shifted to a Many players would open diamond. Garber put up the five clubs with the North king, not so much in hope of winning the trick as because he needed to locate the ace. When the ace was played and dummy ruffed, it was certain ships to locate a red-suit fit that East must hold the club was, however, an obvious danger of a bad trump split. Garber therefore cashed

the club ace and led the queen, throwing a diamond when East played low. West was able to ruff, but

that was the end of the de-

◆ A 9 8 7 2 ♥ 10 ♦ Q 10 6 2 ◆ K 6 5 SOUTE East and West were vulnerab

West led the spade jack

NORTH (D)

4 A Q J 10 7 4 3 2

7 A 9 7

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In Lost Ostia, on the Trail of 2,000 Years of History

By Wilborn Hampton New York Times Service

STIA, Italy — Two millennia ago, this was one of the most important cities in the world, a bustling port that fed and supplied Rome, Today, its ruins offer armchair archaeologists a rare opportunity to clamber over 2,000 years of

Ostia Antica, so named to differentiate it from the beach at Ostia Lido a few kilometers away, stands at what was once the mouth of the Tiber, about 25 kilometers (15 miles) from Rome. The excavations, covering about 40 hectares (100 acres) and stretching for more than a mile toward the Tyrrhenian Sea, are probably the best preserved and most complete Roman ruins outside Pompeii. They reveal the remains of a wealthy and vibrant metropolis.

But it was not always so. Until this century, Ostia was mostly a lost city. It had its formal beginnings in the middle of the fourth century B.C. as a military base. It was the first colony of republican Rome and became the home port for the Roman fleet. At Ostia, reinforcements from Carthage landed to help Rome in its battle against Pyrrhus in 275 B.C., and from Ostia ships sailed with supplies for the Roman Army fighting Hannibal in Spain during the Second Punic War roughly half a century later.

But with the rise of imperial Rome, Ostia was transformed from a naval base and port into a thriving mercantile center that brought prosperity to its citizens and financed its growth as a cosmopolitan city.

It was Julius Caesar who first had the idea to expand Ostia, already becoming overwhelmed by ship traffic. But not until the reign of Claudius nearly 100 years later was the project undertaken and a new basin dredged in an area now occupied by Rome's Leonardo da Vinci Airport at Fiumicino.

Under the Caesars, money and investment poured into Ostia. A succession of emperors continued the building boom. Augustus was one of the first, contributing an amphitheater that is still a marvel today. Claudius donated a fire department and built luxurious barracks for the firemen. Nero, Domitian, Trajan, Hadrian and Septimius Severus added warehouses, baths, forums and temples.

The city grew rapidly. Marble palaces decorated with frescoes and elaborate mosaics lined the streets, their remains attesting to the sudden wealth it

Four-and houses, residential skyscrapers by Roman standards, went up. Shops, bars, restaurants and markets opened. A stock exchange was established and labor unions were formed. A capitol and curia

Today the city, which has been under excavation for most of the last century, looks the way ruins should: broken columns strewn about, chipped statuary standing on pedestals worn smooth by time, cracked sarcophagi lining the sides of stone roads that were first laid and traveled centuries ago.

VISITING THE RUINS

The ruins are entered from outside the old city walls, along a stretch of the Via Ostiense, the main road that linked the city to Rome. Nearby, on the Via delle Tombe are the remains of several burial vaults, niches carved in walls around a sort of courtyard to contain cinerary urns. This necropolis is remarkably similar to modern-day mausoleums.

Proceeding into the city proper, the visitor quickly finds that a map or guidebook explaining some of the ruins is essential. Unfortunately, these are not available at the entrance to the excavations. A first-time visitor would be well advised to head straight along the Decumanus Maximus, a boulevard wide enough for two chariots to pass that was Ostia's main drag, to the site's book-

It is near the center of the excavations, at the side of a small museum, where some of the more valuable and delicate discoveries are now housed. Getting there means making a detour past some ruins you will eventually want to double back to see.

One good book is "Ancient Ostia," which costs about 14,000 lira (\$8). Photographs of the ruins with overlays show what buildings looked like in Roman times. It also suggests some walking itineraries to see the major sites.

One of those is the city amphitheater, a majestic edifice that is also the only ruin that was extensively rebuilt, having been reconstructed in 1940 using its original mfa and brick.

Another of Ostia's most impressive ruins, and one of its mysteries, lies just behind the theater. Called the Forum of the Corporations, it features a doublecolonnaded walkway that wraps around three sides of the square behind the theater and contains dozens of small rooms whose floors are covered with some of the best-preserved mosaics in the city.

One site that seems to be a favorite for tourists, and which has been unearthed almost intact, is a wine bar on the Via di Diana, named for an apartment house that takes up most of the block in which a statue of the goddess was found. Known as the Thermopolium, it opened along the street so that passers by could stop and have a glass of Frascati or whatever the

special of the day might be.

Venture off the Decumanus Maximus into smaller side streets, and surprises await at almost every turn: Suddealy there will be a statue or a carved

face overgrown with ivy, a little room with its mosaic floor almost intact, a wall with a completely preserved painting like the laurel-crowned charioteer with two horses that adorns one apartment house. Or perhaps a stray cat popping up from a sarcophagus.

On almost every side street are shops complete with display cases and check-out counters. In the Via dei Molini, or Street of the Mills, warehouses (or horrea) with giant urns lie still half-buried in the earth where grain and dry goods were stored awaiting shipment on to Rome. There is a discernible laundry, a butcher shop and a fishmonger that still has the fish tanks and a marble table where they were cleaned.

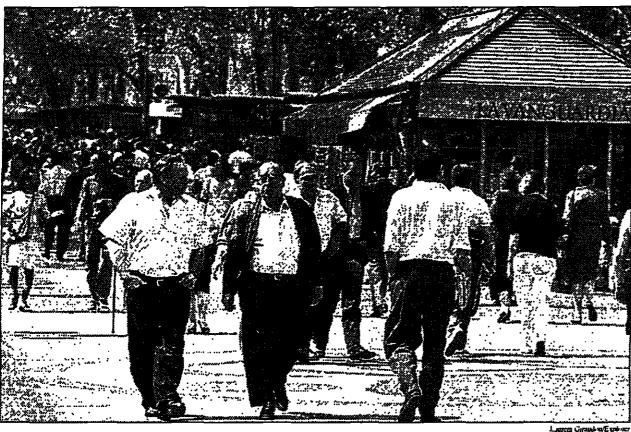
HERE are palazzi where the wealthy lived in splendor with entry courtyards graced by foun-tains and marble statues, living rooms decorated with wall paintings and kitchens with stoves that resemble modernday ranges in design. There are thou-sands of pieces of sculpture retrieved from the city's uncovered houses along with pieces of pottery and alabaster bottles used for oils and other goods. Almost every neighborhood had its

own temple, and many still have fragments of original mosaics and statues. Mithraism was clearly the popular religion as attested by the numerous mithraeums discovered throughout the city.

Other temples have been unearthed as well, including one to Hercules from the first century B.C., which yielded an excellent statue of the hero that is now in the Ostia museum. There are also temples to Venus and Mars and, of course, to Augustus. There is a fourthcentury Christian basilica and even a synagogue with giant columns that dates from the first century A.D.

It was all too good to last, of course. After more than eight centuries of life. growing from colonial outpost to naval base to mercantile center, Ostia began to decline in A.D. 314 when Constantine awarded the lucrative port rights by which it thrived to Portus a few kilometers to the north. Within 50 years, the city's population had diminished by half and its magnificent palaces, apartments, baths, temples and shops were beginning to crumble through neglect.

In another 200 years Ostia was a ghost town, covered by marshy swamp and infested with malaria. Although there were several half-hearted attempts to revive the city over the centuries. Ostia remained only a name in history books until Pope Pius IX ordered some tentative exploration of the area about 100 years ago. In 1909, the Italian government ordered the first systematic archeological excavations, and to this day, with every unearthed stone, they add to our understanding of a city that once stood next to Rome in grandeur.



On Las Ramblas, a famed thoroughfare, pedestrians can watch performance artists and portrait painters.

Strolling Through Barcelona

Spain's Capital of Design Houses the Old and New

By Steven Greenhouse New York Times Service

ARCELONA — Barcelona is a walker's paradise, especially in spring. It has old and new, sea and mountain, postmodern and primitive.

To saunter through its Gothic Quarter, along the dark, narrow streets and past the ancient artisans' shops, is to be transported back to the Middle Ages. Walk up Passeig de Gracia, past the chic boutiques and the daring, whimsical buildings by Antonio Gaudi, Barcelona's favorite architectural son, and it is easy to appreciate why this city is known as Spain's capital of design. And, of course, there is Las Ramblas, the city's most famous thoroughfare, where people gawk for hours at performance artists, portrait painters, parrots on sale and the parade of pedestrians.

This city spruced itself up considerably for the 1992 Summer Olympic Games, a face-lift that is still paying off. Dozens of old factories and seedy restaurants that blocked access to the waterfront were torn down, creating a Mediterranean beach marvelous for strolling and sunbathing. Near the Old Port are a new aquarium and an Imax theater, excellent diversions for those with children in tow.

After 40 years in which Franco repressed Barcelona, the Catalan language and the culture of the region, this proud city has strained to make Catalan culture flourish again. Scores of townspeople dance the traditional Sardana on Sunday mornings in front of the 14th-century cathedral. In 1995, the city opened the Barcelona Museum of Contemporary Art, a glistening white sun-drenched building designed by Richard Meier, an American. The government has also put together a delightful walking tour, the Ruta de Modernisme, to showcase Gaudi and other turn-of-the-century architects in the Modernist school who used themes from myth and nature.

THINGS TO SEE AND HEAR The Barcelona Museum of Contemporary Art is staging an exhibition through June 21 of the works of a fast-rising Majorcan artist, Miquel Barcelo. His kinetic canvases cover a vast range of subjects: Saharan landscapes, sumptuous feasts, African flood victims, portraits of

friends and animal carcasses. Many bold-colored paintings and sculptures by Joan Miro, the Catalan artist, are on display at the Miro Foundation, a museum on Montjuic over-looking Barcelona. "Private Fictions,"

an exhibit of 100 photographs by Robert Doisneau, Man Ray, Dora Maar and townhouse that looks like a fairy-tale others, runs through August.

After years of renovation, the National Museum of Catalan Art recently reopened. The museum, in Montiuic Park, has a spectacular collection of 12th- and 13th-century frescoes and altarpieces moved from remote churches in the Pyrenees, and through May 31 is exhibiting works by Francisco de Zurbaran, the 17th-century painter.
On May 28, the pianist Alfred Brendel

will play at the Palau de la Musica Catalana. The 2,000-seat hall, designed by Lluis Domenech i Montaner, is one of the jewels of Catalan modernism, with dazzling mosaics and columns, and a sun-like stained-glass skylight. On May 30, the Barcelona Symphony Orchestra performs Gabriel Faure's "Pelleas et Melisande" and Isaac Albeniz's "Catalonia." under the guest director Edmon Colomer, and on June 26, it's the Mormon Tabernacle Choir.

One of the biggest festivals each year is the Night of Saint John (also called Midsummer's Night), which falls on June 23. In Barcelona, there is a fireworks display and all-night party with music on Montjuic.

HE Gothic Quarter resembles a maze, with surprises wherever one turns. On torrid summer days, the cathedral's well-shaded cloister, with its cool stone and many plants, is the perfect escape. Cavelike bars, with sausages hanging from the ceiling, look like they came straight out of a Cervantes novel. The romantic should not miss two well-preserved squares: the Placa del Pi, known for its cafés and guitar-strumming troubadours, and the Placa de Sant Felipe Neri, an oasis of screnity with a gentle fountain.

The Museum of the History of the City, housed in a 14th-century mansion on Placa del Rei, is full of wonders: excavations of Roman ruins and a 17thcentury six-story watchtower from which guardsmen studied the sea for enemy ships.

A five-minute walk from the museum is the soaring, stark Church of Santa Maria del Mar, on Placa de Santa Maria, a 14th-century structure with spectacular nave and columns. Unfortunately, its ornate decorations were destroyed during the Civil War.

Those thirsting to see Gaudi works can buy a \$10 Ruta de Modernisme pass at the Center of Modernism, 35 Passeig

The pass provides admission to 10 Modernist buildings, including Casa

structure, and Casa Mila, 92 Passeig de Gracia, a Gaudi apartment building famous for its undulating walls resembling seaside cliffs, and phantomshaped air ducts and chimneys. It also includes admission to the Church of the Sagrada Familia, at 401 Mallorca, the vast still-unfinished church that Gaudi worked on for 43 years before his death in 1926. He is buried in the crypt.

Gaudi lovers should not miss Guell Park, on Calle Olot, an unfinished work that he designed to be a model community. It has a brilliantly colored, serpentine mosaic bench, an outdoor hall of stately columns and two guardhouses inspired by Hansel and Gretel. One of Barcelona's unusual attractions is its dancing fountains bathed in lush colored lights at the base of Montjuic. near the Placa Espanya. The fountains play Thursday to Sunday from 10 to 11:30 P.M., June 23 to Sept. 24.

A TASTE OF TAPAS For a spectacular view of the Mediterranean and equally impressive seafood, Cal Pinxo is the place to go. Situated in Barceloneta, an up-and-coming neighborhood original-ly built for fishermen's families, this restaurant, at 124 Baluard, has excellent paella, sea bass (lubina) and esquexada, a seafood salad full of olive oil and cod. Dinner for two costs about \$65, with

Widely considered one of the best tapas bars in a city famous for tapas, Cal Pep, 8 Placa de les Olles, has seafood galore. At night, there are often lines for the bustling marble bar, but it is worth the wait. Try the succulent baby squid. the grilled shrimp, the mussels and the spinach with garbanzo beans and garlic. Dinner for two: \$60, with wine.

Budget-minded tourists might try Agut, 16 Gignas, with an \$8.50 lunch menu. Dinner for two is \$40, with

The \$6.50 lunch menu is a stunning bargain at El Convent, in a converted medieval convent, at 3 Jerusalem, just behind the colorful Boqueria food market. One recent lunch time, appetizers included lentil salad, baby squid salad and asparagus with garlic mousse.

For a sense of what Barcelona was like at the turn of the century, when it was awhirl with intellectual ferment and a passion for design, try a romantic direner at the Quatre Gats, 3 Montsio, a tavern that opened in 1897, Picasso designed its first menu. Unfortunately, the food is not as impressive as the ambiance. Dinner for two: \$60, with wine.

Asparagus Addict Attains Nirvana

By Patricia Wells rnational Herald Tribune

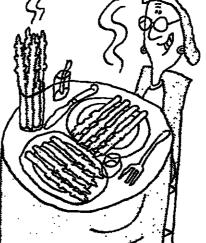
ARIS - I'll be honest from the start. I am an asparagus addict. From the first sighting of those slender spears during the doldrums of February until their traditional disappearance from the French market on the feast of St. Jean in mid-June, I could savor their dense, mineralrich flavor morning, noon and night. So when I discovered that the Mich-

elin two-star chef Michel Rostang was offering an all-asparagus menu, I beat a path to the door of his elegant restaurant in the 17th arrondissement I admit to falling out of love with Rostang some years back after a few meals that seemed to reflect a man stuck in gastronomic mud and on a road to nowhere.

He has awakened, big time, now a passionate chef whose table reflects a curious mind and an intensely intellectual approach to food. The asparagus meal was full of surprises, void of clichés, a love poem to that admirable vegetable. was mildly disappointed that

nowhere in the meal did asparagus play the star, but by the end of the meal realized the wisdom of assigning it a supporting role in a number of dishes.

The first course, soupe claire d'as
The star of the evening was a simple



perges vertes de Provence was an eye opener: With Asian overtones, this complex blend of asparagus, coriander, faintly puckery epine-vinette, or highbush cranberries, and cubes of fresh tuna bathed in a clear broth was a perfect tonic. No suforise to know that ast

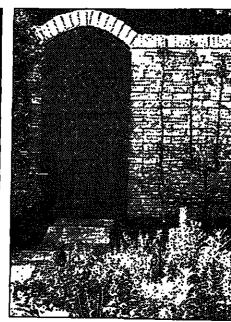
soft-cooked egg nested in a tulip of crisp phyllo, topped with a generous spoonful of Sevruga caviar. Flanked by panseared violet-tipped asparagus from the farms of Jean-Charles Orso in the hills of Cannes, the soothing dish was offset by a rich, heavily reduced, almost caramelized sauce of sweet sherry.

Off the special menu, diners can also regale their palates with roasted green asparagus with spiced crabmeat in a reduced crustacean sauce; rich nuggets of lobster meat paired with asparagus and baby violet artichokes in a delicate anchovy sauce, and farm-fresh guinea hen with an Italian Arborio rice risotto with asparagus butter.

HE wine list offered a fine dis-covery, a finely flinty white 1995 Coteaux d'Aix en Provence, from Domaine Hauvette, where Dominique Hauvette crafts a well-made organic wine on the plains of St. Remy de Provence.

Michel Rostang, 20 Rue Rennequin. Paris 17; tel: 01-47-63-40-77; fax: 01-47-63-82-75. Closed Saturday lunch. Sunday and three weeks in August, All maior credit cards, 325-tranc lunch menu; 745-franc asparagus menu. A la carte, 600 to 800 francs, including service but not wine.





Two scenes of Paris's Art du Jardin, France's grandest horticultural fair with 350 exhibitors expected.

All Hail France's Garden Season

By Jean Rafferty

ARIS - "Picture hats recommended; high heels not recommended" read the invitation to May 25th's soirce for the fifth annual Art du Jardin fair, held from May 23 through May 27 this year at the Longchamp racecourse in Paris's Bois

Of the host of horticultural fairs that have sprung up throughout France to exploit a fertile market of enthusiastic gardeners, the Art du Jardin is the largest, with 350 exhibitors expected to lure 80,000 visitors to a show spread over four hectares (10 acres). The model gardens of the show have a distinctly French flavor: A kitchen garden by the designer Louis Benech includes fig trees, red-ribbed celery, black beets and a well-filled herb garden (where the Michelin'-starred chefs Ghislaine Arabian, Reine Samut, Jean-Pierre Vigato, Jean Bardet and Michel Rostang will go for the ingredients of the culinary delights on the menus of the fair's res-

Other designs offer intriguing insights into French garden expertise: Veuve Cliquot's garden, "Trip to China," weaves through a forest of bamboo and pagoda-hat parasols to aquatic pools of lotus flowers; Emanuel Ungaro's sea of roses showcases showers of pale pink, salmon and yel-

low petals; in Clarins's garden, walls of accessories as Prince Jardinier's elegant water float on a mirrored moat while waterfalls screen follies of ferns and stands of white birch, and a pink sand dune, wildflowers, sea grasses and blue santolinas evoke the charms of the is-

land of Guernsey.

English gardeners may be content to wait for seeds to blossom; the French want instant greenery.

With six other horticulture professionals, the designer Pierre Alexandre Risser demonstrates a dream garden put together in just two weeks: an impressive display that includes clipped topiary, citrus, magnolia, cypress, lime and olive trees, and climbing roses along with vibrant hardy perennial flower and herb gardens.

Other attractions at Longchamp feature a stand for decorating hats with fresh flowers; Saint Vrain's fairytale farm for children with baby errus, Viemamese pigs and ponies; Vannerie d'Hier and d'Aujourd'hui's woven willow-branch screens, and a stave-shaving demonstration at Thomas Smith's Trugs, the steamed willow or Finnish birch baskets that date from Anglo-Saxon England.

New this year: a salon featuring 15 florists who will fashion state-of-the-art bouquets from 50,000 fresh flowers; the latest in garden furniture, including Cedre Rouge's galvanized zinc barrelshaped chair inspired by an old-fashioned washtub; such fashionable garden

picnic totes with wine bottle compartments, and a battalion of gardening books starring (in English and French) "Views of the Gardens at Marly," re-productions of splendid 17th- and 18thcentury watercolors of the horticultural hideaway where Louis XIV escaped from Versailles for bucolic weekends. and the Meilland family's book on the

story behind their renowned roses, com-

plete with tips.

N the Loire Valley, the Chateau de Chaumont's seventh International Garden Festival runs from June 13 to Oct. 18. Among this year's 25 water themes: an aquatic kitchen garden of vegetables, a volcanic display, a suspended water garden of exotic African

fish and a music garden. At Reignac-sur-Indre, the ultimate ecological tourist attraction, Labyrinthus, a huge maze carved each year from a comfield, attracted 200,000 visitors over 10 weeks last summer in tandem

with its Belgian offshoot at Durbuy. From July 4 to Sept. 27, this year's 12-hectare version with eight kilometers (five miles) of paths is laid out in eight playing-card mazes animated on an Alice in Wonderland theme, with actors portraying the White Rabbit, the Cheshire Cat and the Queen of Hearts.

Jean Rafferty is a journalist in Paris who specializes in design and lifestyle.



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LEISURE

A Spectacular Mirage Welcomes Visitors to Lisbon's Expo '98

By Marvine Howe

ISBON - From a distance, it looks like an accidental mirage on the city's ancient shores: shining steel structures, lowng pavilions, pastel towers and townises and mosaic promenades. This iting new suburb, rising from what s a decaying industrial zone along bon's eastern docks, is the site of the bon World Exposition.

Hermanish and the state of the Familiarly known as Expo '98, the t world's fair of the century opens by 22 with the participation of more n 150 countries. About 8.5 million ple are expected to visit the event, ich runs until the end of September. Delaces, and short states of the Community of the Communi Expo's theme is "The Oceans, a Her-

Spanish architect Santiago Calatrava, serves as a hub for trains, buses and the itors can follow Magellan's odyssey ities— transport, navigation, fishing, through televinew Oriente Metro line. To the north. the 16-kilometer (10-mile) Vasco da Gama Bridge connects to highways to Spain and the Algarve and is expected to ease traffic on Lisbon's other Tagus River bridge.

The Oceanarium is Expo's centerpiece and Europe's largest aquarium, designed as a permanent structure by the American architect Peter Chermayeff, creator of the Baltimore and Osaka aquariums. Emerging like an island from Olivais Dock, the Oceanarium recreates four ocean regions flowing into a single vast sea. Visitors can travel to a coral atoll of the Indian Ocean, home to waxbills and other colorful birds; watch sea otters play in a rocky cove off the Pacific coast; encounter puffins, murres and razorbills among the cliffs of the North Atlantic; visit frozen shores of the Antarctic. Then you descend to an un-derwater world inhabited by sharks and rays, octopus, crabs, moray eels, schools of mackerel and other sea-life.

Nearby, the Knowledge of the Seas Pavilion, which looks like a minimalist sailing ship, presents the human discovery of the oceans through exhibits,

around the globe, Darwin's journeys in the Beagle and the Challenger's expeditions on the ocean floor. Examine a ship's hull under construction, a deepsea bathysphere, a nuclear submarine. Shaped like a giant spaceship, the Utopia Pavilion offers entertaining shows about ocean myths, legends and the origins of humankind.

ONCENTRATED in north and south areas, the international pavilions are uniform modular structures separated by walkways and plazas. Although they share the common theme, each pavilion is a world unto itself.

Finland has recreated an icy universe with an endless ice rink and Finnish products like compasses, fishing lures and celiular phones visible through the frozen surface. Visitors can climb into the huge prow of an ice-breaker and steer it into the port of Helsinki.

At the French pavilion, one enters a round cinema and is whisked off on an idyllic journey by helicopter along 5,500 kilometers of French coastline. Then in a new

offshore exploration - through television monitors and a large miniature port. On display are such ocean tools as an 1886 bronze diving suit, a lighthouse lens and models of the submersible vessels used by the explorer Jacques Cousteau.

There is also an oyster-champagne bar. An important part of the French presentation will be 25 vessels rotating through Lisbon port, including the grand old cruise ship France, the 101year-old, three-mast military training ship Belem, yachts and racers.

Visitors enter Holland's pavilion through a shimmering glass wave to find themselves on a great dike. There, the story of the Netherlands' love-fear relationship with the North Sea is projected on a huge screen. A showcase contains 55 models of all kinds of vessels, including tankers, warships and a Greenpeace ship. Other models show Dutch technology in land reclamation, development of the North Sea bed, management of Rotterdam, the world's busiest port, and the production of clean energy with tall wind turbines and the "wind swing" - floating mushvast space where the sky joins the sea, rooms that harness the power of waves.

through a maze on a spiral moving walkway to a surreal undersea landscape. Volcanic cones provide graphics on British projects from the English Channel to the Indian Ocean, as well as maritime innovations that can be followed up on CD-ROM.

INTERACTIVE EXPERIENCES

In the United States' pavilion, you will see sights few people have seen before; a volcano erupting on the ocean floor and deep-sea mountains higher than the Alps. You can participate in interactive experiences; touch live sea hares used in neurological research; feel an iceberg and learn how it is affected by pollution, and track a whale through the Atlantic.

On a quai beyond the barges, rises the Wave, a dramatic stainless steel sculpture 80 feet (24 meters) high and 60 feet long. This memorial wall, designed by the Washington architects Stephen Frietch and Steven Spurlock, will be inscribed with the names of Portuguese-American families who immigrated to

The British pavilion is fun, with brash sound and lights, special effects and easy-to-take video headlines about the New Britaniae Vision of \$100 to \$5,000). "We wanted to leave behind a permanent monument as a gift to Portugal Fortugal States (and make contributions of \$100 to \$5,000). "We wanted to leave behind a permanent monument as a gift to Portugal Fortugal States." icans," said Tony Coelho, U.S. commissioner general to Expo and a former congressman of Portuguese origin.

But the show-stealers will probably be Algeria's ships of the desert. With the theme "a land of two seas," the Algerian pavilion will feature 16 dromedaries accompanied by 44 Tuareg tribesmen and women, to be flown here from the Sahara. The caravan will set up camp at the northern end of Expo, where visitors can get a glimpse of desert life from July 4 to 26.

Every afternoon, the camels will parade around the fairgrounds, stopping occasionally to give children a photo op-In August, the caravan will move camp to the St. Jorge Castle and take promenades through downtown Lisbon. The Algerians will also leave gifts for the Portuguese: a handsome 300-year-old Pistacia tree from the Sahara for the new Botanical Gardens and a pair of dromedaries for the Lisbon Zoo.

Marvine Howe is a former correspondent for The New York Times.

THE FREQUENT TRAVELER

And the second s Low-Frills Options for Crossing Atlantic

By Roger Collis International Herald Tribune

RAVELERS are the big winners in the success of the new generation of no-frills airlines such as Ryanair, EasyJer, Debonair and Virgin Express, with cheap one-way int-to-point fares between more than 30 desnations in Europe. What we need now is low-cost arriers on long-hanl routes - especially on the orth Atlantic, where airlines are enjoying a

:ller's market as growing demand for seats matches capacity for the first time in a decade.

Fares from Europe to North America have grown by an average of 13 percent over the last year and 21 percent in a two-year period, primarily driven by strong demand for business travel, according to

the American Express Euroean Airfare Index for the first quarter of 1998. lusiness-class fares are set to rise, analysts say, by to 8 percent over the next 12 months.

So welcome to City Bird, a pioneer in the reddie Laker tradition, which offers low-cost cheduled flights between Brussels and Miami, Orlando, Los Angeles, San Francisco, Las Vegas nd Mexico City.

The airline took off in March 1997 with a fleet of Boeing MD-11 and 767-300 aircraft with 36 seats n business class and 335 in economy. You simply all the airline, buy a one-way ticket with your redit card and show up at the airport, with almost Mich flexibility as a full-late lickertor a traction f the cost. You can cancel or change your reervation. Economy class costs about 40 percent ess and business class costs 50 to 60 percent less nan major carriers. Brussels-Los Angeles one way 7th City Bird costs 8,990 Belgian francs (\$250) in conomy and 27,990 francs in business class, ompared with 25,000 francs and 85,000 francs

spectively on major carriers. City Bird economy is a classic cattle class with erried rows of 30 to 32-inch pitch seats. But who's omplaining at that price? Business class is proboly closer to Virgin Atlantic's premium economy ass for full-fare economy passengers than busisengers do get a comfortable wide reclining sear with footrests, along with personal Watchman videos and power supply ports for laptops.

"We're not a no-frills airline because no-frills

isn't possible across the Atlantic," said Victor Hasson, chief executive of City Bird. "But we are low cost, low fare. Plus the flexibility of one-way fares which is unique in the market."

Despite low fares, City Bird's initial load factor of 60 percent, which has risen to 65 percent, was not enough, and the airline faced two major problems: fewer point-to-point passengers than expected and tough competition from major carriers. such as British Airways, Air France and Lufthansa. poaching cross-border traffic with discounted fares from City Bird's Brussels hub.

City Bird struck a deal with Sabena whereby City Bird passengers can buy one-way onward connections through Brussels to 48 destinations in Europe that Sabena serves for an extra \$60 to \$150, depending on distance and travel in the front or back of the plane on the Sabena leg.

A one-way ticket on City Bird from Los Angeles or Las Vegas to Brussels, for example, costs \$279 in economy and \$849 in business class. Connections to destinations in Britain, France, the Netherlands. Spain or Germany cost \$69 to \$96 more.

O you've got the latest all-singing-all-dancing Banana 3 laptop computer and state-ofthe art GSM mobile phone to keep in touch via a fax/modem when you're on the road. But with more than 40 different types of telephone and connected may be remote.

Getting the right local adapter isn't always the solution, especially if the phone is hard wired into the wall in that luxury hideaway hotel. Telephone systems work in different ways, and modems that work at home won't always work abroad without reconfiguration. Digital switchboards, common in larger hotel chains and modern offices, can damage modems, sometimes fatally.

TeleAdapt Ltd., a company with offices in London; San Jose, California, and Sydney, may have the solution with a range of packs containing all the adapters, plugs and sockets necessary for travelers

ness class on full-service carriers like Air Canada or United Airlines — although City Bird pas-

travelers through software problems.

Adapters cost from £29.99 (\$49) plus VAT, while a WorldPak containing adapters for use in more than 200 countries costs £299.99 plus VAT. U.K.: (44-181) 233 3000; U.S.: (1-408) 965 1400; Australia: (61-2) 9433 8363. Web site: www.teleadapt.com

HEATHROW TRAINS The Heathrow Express train service, replacing the interim FastTrain service, is set to open in June. At speeds of up to 100 miles an hour (160 kilometers an hour), trains will run every 15 minutes and will cut journey times from Paddington in central London to 15 minutes to terminals 1, 2 and 3 and 20 minutes to terminal 4.

The trains, with capacity for nearly 400 passengers, have airline-style seating and service with pay phones, TV, travel information and news. Digital mobile phones can be used throughout the ride, including the tunnel section. The standard one-way fare will cost about £10.

American Airlines, British Airways and British Midland will provide check-in facilities for passengers with carry-on baggage at Paddington. Full baggage check-in at 27 airline desks will be available in 1999.

The Heathrow Express Web site is at www.heathrowexpress.com

EATING IN LONDON You don't have to go into the grandest restaurants to eat well in London. But film also hugely bolstered by its all-star, bona straying into the wrong places can lead to some fide rap soundtrack, is to this film what his diabolical culinary (and wallet-threatening) ex-

Help is at hand with the seventh edition of 'Harden's London Restaurants 1998," published by two brothers, Richard and Peter Harden, which rates the capital's 1,100 most notable restaurants. cafés, pubs and bars. Harden's inspiration was the Zagat New York City Restaurants Guide. It follows the Zagat form of short, pithy remarks like "inexpensive but overpriced"; "a Lloyd Webber performance — for tourists only," or "where designer-stubbled trendies ostentatiously work off their hangovers."

"Harden's London Restaurants 1998," £7.95, is

sold at bookstores.

MOVIE GUIDE

BULWORTH Directed by Warren Beatty, U.S.

It's great to see a grown man cry when the man has as many good reasons as Senator Jay Bulworth, the formerly viable American politician. He has a campaign speech ("We stand at the doorstep of a new millennium

...") that bores even him to tears; he has a wife (Christine Baranski), but she shows up only for ceremonial occasions; he has enemies who pronounce him "an old liberal wine trying to pour itself into a new con-servative bottle." So Bulworth, played by a magically revitalized Warren Beatty, who has directed this political satire with jubilant wit and energy, sits blubbering amid his Kennedy-era mementos, realizing that he has come to the end of the line. And then lightning strikes, to raucously funny and liberating effect. On the eve of the 1996 California primary, Bulworth goes bonkers enough to take desperate measures. He does something that works here almost as galvanizingly as it did in "Network": He speaks the unspeakable truth. In a potentially cheap high-concept gimmick, "Bulworth" lets its button-down white politician turn homeboy, rapping excitedly to the same electorate he once put to sleep. Bulworth plunges headlong into black urban culture and political advocacy as if no white Democratic senator could ever dream of such a thing, and the movie works, with both urbanity and chutzpah, by viewing political puppeteering with an all-purpose jaundiced eye. Much of the film's fun comes from watching Bulworth exult in his newfound freedom. Beatty's greenborn ghettoese, in a haircutting was to "Shampoo." Once Bulworth scandalizes everyone around him the film loses some steam, but its best moments come from witnessing the senator's inspired

THE HORSE WHISPERER Directed by Robert Redford. U.S.

unraveling.

The signs of maturity, both good and bad, are all over Robert Redford's tastefully understated, morally upright adaptation of "The Horse Whisperer." What Clint Eastwood did for "The Bridges of Madison County," Redford does for Nicholas Evans's pulpy romantic melodrama. The movie is not only a better version of the book, it's a work unto itself. The story is subtler, and the moral issues it raises are far more complex. Before falling into one another's arms, the lovers first think about the consequences of their actions. The film focuses on the contentious relationship between Annie MacLean (Kristin Scott Thomas), a hyper magazine editor, and Grace (Scarlett Johansson), her fragile 14year-old daughter. Grace and her prized jumper, Pilgrim, survive a horrific riding accident but both are badly injured. Grace loses a leg, the horse is maimed and neither seems

(Janet Maslin, NYT)

to be healing. When Grace tells her mother that both she and Pilgrim should be put down, Annie becomes convinced that the fates of the two are linked and uses all her resources to resolve the situation. She is led to Tom Booker (Redford) and his unique talent for treating horses. Over the mild objections of her husband (Sam Neill), she packs up the discon-solate Grace and the hysterical horse and heads for the Booker family's ranch in Montana. Although stories don't get much more uplifting, this one seems to have come to its obvious conclusion, then suddenly Tom and Annie start with the longing gazes. But the courtship between the ruggedly hunky horse whisperer and the now-mellowed-out career gal is not only dispassionate, it's practically an afterthought. Despite its shortcomings, "The Horse Whisperer" is a grown-up film, exploring its ambitious themes and dysfunctional relationships with thoughtfulness and sincerity. It is a paean to the hero's many virtues, including discipline, patience, compassion, honesty and sensitivity.

GODZILLA

(Rita Kempley, WP)

Directed by Roland Emmerich. U.S. Well, yes. As the ads for "Godzilla" proclaim, ' 'Size does matter." Even in the movies, there's such a thing as too big. The bellowing lizard from beneath the sea that stomps through the canyons of Manhattan may be one of the largest movie monsters ever to lumber across the screen. But it is a lot less lifelike than the resurrected dinosaurs of "Jurassic Park" and "The Lost World." As enormous and fierce as he's intended to be; Godzilla often appears to have no more physical substance than a shadowy two-dimensional photographic image blown up and inserted into an enlarged tourist postcard of New York. Once the beast begins his third rampage through the city's landmarks, watching New York get pummeled into a pile of rubble loses its novelty and becomes simply tedious. The movie doesn't become scary until the second hour, when the scientist Niko Tatopoulos (Matthew Broderick), leads an underground search party to find the eggs he is certain the self-reproducing creature has laid. When Nick and his cronies discover the nest, they arrive just in time to watch the eggs. which resemble huge, black, greasy boulders, hatch simultaneously. Because this army of writhing, screeching baby Godzillas with their fiendish yellow eyes and fanged mouths are closer to human scale, they are much more lifelike and more terrifying than their prodigiously fertile single parent. As for character development, storytelling and acting, "Godz-illa" is so slapdash it makes "Independence Day" look like Henry James. The only ques-tion worth asking about this \$120 million wad of popcorn is a commercial one. How much further will the dumbing down of the event movie have to go before the audience stops (Stephen Holden, NYT1 buying tickets?

ARTS GUIDE

BELOIUM

th Re Kunsten, tel: (3) 238-09, closed Mondays. Continu-3/ To July 26: "Pieter Breughel le une et Jan Brueghel l'Ancien: le Famille de Peintres Flamands rs 1600." More than 100 paints and works on paper by the ns of Pleter Bruegel the Elder. Bruegheithe Elder, a painter of wers and still lifes, and Pleter aughel the Younger, who copied tather's work. The show also stures 12 paintings by the elder regel.

BRITAIN .

yward Gallery, tel: (171) 960-26, open daily. To June 14: "An-Kapoor." Since his early sculp-Bs, Kapoor (born in 1954) has veloped a distinctive body of kk in stone, marble, pigment, unless steel and plaster, with his are recent work exploring the ncept of the "void." The exhib-in includes 16 large-scale

www.hajaward-gallery.org.uk te Gullery, tel: (171) 887-8000, en daily To Sept. 20: "Warhol and uys: Loans From the Froehilch tection." Focuses on the way dy Warhol and Joseph Beuys rexight the relationship between) artist and society: Beuys used finary objects and materials to iphasize the connection between and life; Warhol drew on Images aliable in the press and in ad-nising to reflect the tensions inrent in American society. www.tate.org.uk

FRANCE

is and a summare Laboriton Laboriton (1997) with the summare of th ntre Georges Pompidou, tel: 44-59-29-70, closed Tuesdays. July 27: "Max Ernst: Sculptures. isons et Paysages." Focuses on links between the German st's works and the places where lived, even shorily: Tyrol, Arizona, ng island near New York, the Loire ley in France. The exhibition ngs together more than 100 sculp-is and 15 paintings and will travel

Durbuy, this year's this year's said our in with the Walls Rubbit, the S, closed Tuesdays. To July "Visions Capitales: Sacrifice et capitation, Oeuvres de Durer, nbrandt, Picasso." The theme



A Miquel Barcelo sculpture on display in Barcelona. NETHERLANDS

AMSTERDAM

Beardsley, and continental painters such as Gustave Moreau and

fantastic and spirmual themes.

of decapitation from the mythical figure of Medusa to the guillotine. Features 60 paintings, drawings and sculptures of heads and faces dating to the 16th century. www.louvre.fr

GERMANY

Kunsthalle der Hypo-Kulturstif-tung, tel: (89) 22-44-12, open dally. To Aug. 16: "Pablo Picasso und Seine Sammlung." More than 120 works from Picasso's private collection, including works by Braque, Cezanne, Dali, Degas, Gauguin, Giacometti, Matisse, Modigliani, Renoir and Seurat, as well as 30 of his own works.

SPAIN BARCELONA

Museu d'Art Contemporani, tel: (93) 412-08-10, closed Mondays. To June 21: "Miquel Barcelo, 1987-1997." Approximately 200 paintings, drawings, gouaches, water-colors and sculptures of the past 10 years, which reflect the desert and African landscapes dis-

covered by the Spanish artist (born in 1957) during his travels to the Sahara and West Africa. Museo Nacional Centro de Arte Reina Sofia, tal: (1) 457-50-62, closed Tuesdays. To June 1: "Esteban Vicente: Obras de 1950-1998." Documents the Spanishborn painter's career since his arrival in New York in 1950 when he

became closely acquainted with the Abstract Expressionists. Features paintings, works on paper and collages.

SWIDEN

Nationalmuseum, tel:(8) 666-42-

50, closed Mondays. To Sept. 27: 'The City as Vision of Horror or Delight." Depiction of Stockholm through the eyes of artists and ar-chitects from the Middle Ages to the present day.

SWITZERLAND

Fondation Beyeler, tel: (61) 645-9719, open daily. To Sept. 27: "Roy Lichtenstein." A retrospective of works by the American master of Pop painting (1923-1997). The 60 works, whose subjects are often banal objects of modern society or enlarged comic strips, encompass the years 1960 to 1990.

www.beyeler.com Van Gogh Museum, tel: (20) 570-6252, open daily. To Aug. 30: "The Age of Rossetti, Burne-Jones and Kunstmuseum, tel: (61) 271-0445, closed Mondays. To July 19: "Andy Warhot: Zeichnungen, 1942-1987." A selection of 200 Watts: Symbolism in Britain, 1860drawings from the thousands by 1910." Focusing on the links beween British and Continental the American artist whose philo-Symbolist art in the late 19th censophy was that "business art is a tury, the exhibition brings together much better thing to be making the works of Victorian painters. such as Rossetti, Watts and

www.kunstmuseumbasel.ch UNITED STATES

Femand Khnopfi. These artists turned their backs on everyday NEW YORK Brooklyn Museum of Art, tel: May 26: "Chuck Close." Museum (718) 838-5000, closed Mondays of Modern Art, New York. reality and sought out mystical,

and Tuesdays. Continuing/To July 5: "Jewels of the Romanovs: Treasures of the Russian Imperial Court." On loan from major Russian museums, objects that span three centuries of the Romanov

PHILADELPHIA Philadelphia Museum of Art, tel: (215) 684-7860, closed Mondays. To June 28: "Heroes & Ghos Japanese Prints by Kuniyoshi, 1797-1861." Commemorates one of the masters of the Japanese color woodcut in the 19th century with a selection of prints, drawings and paintings, landscapes, por-traits of actors, women and fan

National Gallery of Art, tel: (202) 737-4215, open daily. To Aug. 9: "A Collector's Cabinet." Dutch

and Flemish artists created small paintings that were eagerly col-lected in the 17th century by prosperous citizens, rather than by princes and church leaders. The exhibition brings together such small paintings and objects found in these cabinets. The Phillips Collection, tel: (202) 387-21-51, closed Mondays. To

Aug. 16: "Richard Diebenkorn." More than 150 paintings and works on paper and other materials by the California painter. Diebenkom (1922-1993) embraced the &bstraction of his American contemporanes and, at the same time, steeped himself in the figurative tradition of Cazanne and Matissa.

CLOSING SOON

May 24: "Scandinavia and Germany, 1800-1914: Encounters and Stockholm.

May 24: "Joan Miro." Centro Cultural Arte Contemporanco, Mexico City. May 24: "Augustin Pajou, Royal Sculptor." Metropolitan Museum,

New York. May 24: "Visions of Paris: Robert Delaunay's Series." Solomon R. Guggenheim Museum, May 25: "China: 5,000 Years."

Guggenheim Museum SoHo, New York May 26: "Per Kirkeby." Tate Gal-



DESTINATION GREECE DOORWAY TO ART

THE CREATIVE TRADITION LIVES ON AND PROSPERS

Greek artists are going strong in Athens and other parts of Greece, as a sampling of recent shows attests.

f the Greeks want to prove a direct connection with their ancient ancestors, all they have to do is point to their continued achievements in painting and sculpture - a tradition that even the long Ottoman occu-

pation did not disrupt.

Their cities are adorned with beautiful statues and busts chiseled by the followers of the ancient master Phidias. Their galleries are filled with paintings that are the direct descendants of those by the fourth and fifth ' century B.C. artists Apelles and Zeuxis, by way of Domenikos Theotokopoulos - better know as El Greco.

Late spring and early summer are good times to appreciate art in modern Greece, since many galleries in Athens and other cities and towns are launching new exhibits.

According to art consultant Katerina Traka-. kis, scores of prominent artists are currently on exhibit in the main Athenian galleries. The most important current retrospective is that of Alexis Akrithakis at the National Gallery, covering all periods of his career. Akrithakis, born in Athens in 1939, was the most representative spirit of his generation, says Ms. Trakakis: innovative, explosive, displaying all the characteristics of a bohemian until his death in 1995. He attracted the admiration of both the Greeks and foreigners who saw his work.

Akrithakis studied in Berlin, where he moved in 1967, thanks to a German Institute scholarship. He stayed in Germany until 1980, exhibiting in several cities. According to the late Greek art collector Iolas. Akrithatis was "one of the most genuine and most talented artists of his generation."

Revisiting the masters

Another important exhibit is at the Gallery New Forms, where 12 artists, including sculptor George Lappas. 50, who has studied and worked in the United States, are showing what they call Original Replicas, or paintings in-spired by famous masterpieces of great artists.

Mr. Lappas, who recently had an exhibit at the Lehmann-Maupin Gallery in New York, explains that his sculpture was inspired by a 1833 painting of a swimmer by Georges Seurat. Yannis Adamakos presents "Van Gogh Feed-ing Matisse's Fish." "I combined the sunflowers of Van Gogh with the fishbowl of Henri Matisse." he says. Anni Costopoulou, inspired by Picasso's "Two Girls Running on the Sand," has turned out "Two Girls Dancing on a Stage." Angelos Papadimitriou was inspired by the Goddess of the Snakes, an ivory statue dating to 1600 B.C. that was found in the Palace of Minos in Knossos.

In her gallery, situated in the shade of the Acropolis, near the central market of Athens.

Late spring and early summer are good times to appreciate art in modern Greece

Rebecca Kamhi has been showing the works of the 30-year-old artist DeAnna Maganias. Ms. Maganias, who was born in New York, now works and lives in Athens. "Her constructions model quasi-domestic environments that are physically impossible to enter or to exit," says Ms. Karnhi. Ms. Maganias, who studied at the Corcoran School of Art in Washington, D.C., the Rhode Island School of Design and Cooper Union in New York, says: "I do paintings from memory and from a collection of images and recurring nightmares that have been part of my personal world since childhood."

Another painter, Lila Papoula, exhibits her works at the Kreonidis Gallery in Kolonaki, the center of Athens's artistic and social life. Ms. Papoula, 43, studied at the St. Martin's School of Art in London before returning to Greece and graduating from the Higher School of Arts in Athens. Manos Stefanidis, curator of the National Gallery, says the painter, who specializes in landscapes, "wants to be confessional, but at the same time wants to exclude from her images any suspicion of rhetoric or pomposity,

Another leading Greek painter is Stephen Antonakos, born on the island of Lesbos in 1926, whose parents immigrated to the United States in 1930. Mr. Antonakos, who has held several exhibits in the United States, now lives and works in New York. He, together with Dimitri Alithinos, a 53-year-old who lives and works in Athens; Alexandros Psychoulis. 32. who also works in Athens: and Thanassis Totsikas, 47. who lives in Thessaly; represented Greece in the 47th Biennale in Venice. Says Efi Stroussa, commissioner of the Biennale: "They are dissimilarly developed, with divergent directions and outlooks due to their age differences, disparate ideological backgrounds and different repositories of personal and artistic experience."

Mr. Antonakos represents one of the most remarkable examples of the Greek Diaspora. Mr. Stroussa writes: "Born in Greece, he was only four years old when he moved to the United States. He became one of the first exponents, in the '60s, of the employment of neon light as a new material and as a means of artistic expression." The work he presented at the 47th Biennale, entitled "The Chapel of the Heavenly Ladder," was shown outdoors in front of the entrance to the Greek Pavilion. The focal idea of his creation was a series of meditation spaces in which visitors could contemplate their inner selves.

Mr. Psychoulis uses computer memory to store over 4.000 still and video pictures. "which correspond to an equal number of words." he says.

Concealing to reveal During the Biennale, Mr. Alithinos realized his 72nd "Katakrypsis." or "Concealment." This consisted of drawing a work at the bottom of a trench inside the pavilion. After the end of the exhibit, the trench was filled up, and the work remains covered up, a sample of today's civilization saved for posterity. Besides his Concealments, Mr. Alithinos has painted the interiors of temples and their facades, including a mural in the Temple of the Rainbow in Ounda. Benin. West Africa and a Buddhist mound in Boudnath, Nepal as well as ceremonial

Part of the lineage: a wall painting from the archaeological museum in Heraldion. paintings in Étaounda, also in Nepal. Mr. Totsikas showed what he called "I Love Ducati Best." a demonstration of his passion for a Ducati motorbike. Mr. Stoussa says: "The motorbike, apart from being a modern vehicle. a status symbol or an allusion to Pegasus, is mainly a real object which encompasses the miracle of high technology. As such, it embodies a tremendous energy and conveys a dynamic aestheticism."

Rena Anoussi, who specializes in etchings: Dora Keperti: and Popi Lerta are Greek artists who have organized a show called "Three

Women, Three Journeys," opening this week a the House of Cyprus in Athens. Takis Stefanou is showing his paintings at the Peritechnos Gallery. Mary Barbari at a gallery on the island of Kea in the Aegean, and the sculptor Kyriako: Kambadakis at the Old Archaeological Museum of Thessaloniki. Nikos Kessanlis, one of the most interesting portrait painters, has a show in Rethymnon, Crete called "Faces, Ver sions of the Human Form, 1953-1997."

A show called "Greece and Greek Gods" opens this week in the Port of Piraeus, featuring the works of the sculptor Mihalis Kassis.



GREECE:

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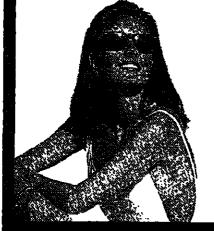
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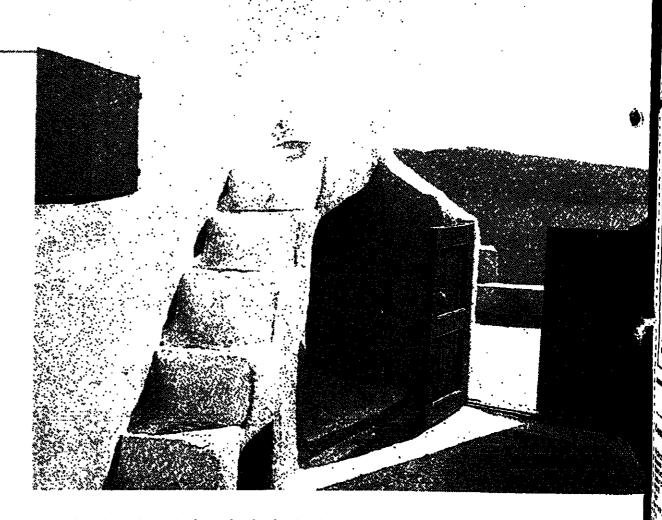
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FRIDAY, MAY 22, 1998

Family Feud Mars Sale of **Fabled Store**

Harry Winston's Scions Battle for Jewelry Empire

> By Jennifer Steinhauer New York Times Service

NEW YORK - From his opulent, vaultlike store on Fifth Avenue, Harry Winston once bathed movie stars and princesses in diamonds, rubies and emeralds. His personal assistant remembers him staring at his favorite diamonds "the way parents look at their newborn child."

Even now, two decades after Mr. Winston's death, few actresses would think of going to an Academy Awards ceremony without first arranging for a loan of a costly Harry Winston necklace or tiara.

But Harry Winston Inc., the legendary luxury business that Mr. Winston created, is now on the selling block. The sale is the culmination of a nearly decadelong fight between Mr. Win-

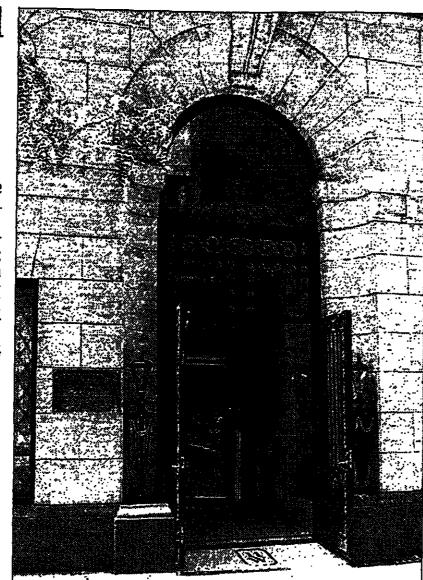
ston's two sons. It pits Ronald, the older brother who learned the business at his father's side and currently runs it, against Bruce, the sibling whom Ronald dismissed from a marketing job at the jewelry store in 1994.

After years of litigation, a judge in suburban Westchester County — where the cases have been heard — ruled that Ronald could no longer block the sale of the privately held company that two other trustees had long been seeking. Several weeks ago, Credit Suisse First Boston was retained to dangle the jewelry retailer before potential buyers.

Harry Winston is one of the few great luxury names in American retailing; the least expensive item in its Fifth Avenue salon is an \$800 writing pen.

It is best known for its ornate multimillion-dollar necklaces and rings. Marilyn Monroe, in the song "Diamonds Are a Girl's Best Friend" from the 1953 movie "Gentlemen Prefer Blondes," sang seductively: "Talk to me, Harry Winston." Woody Allen used the store recently for a dance scene in his film
"Everyone Says I Love You."
Besides New York, the company

owns jewelry emporiums in Geneva, Tokyo, Paris and Beverly Hills, and it privately sees hundreds of wealthy cli-ents around the world. Ronald Winston,



Harry Winston, on Fifth Avenue in New York, has long served the rich.

interviewed by telephone from Tokyo, said he still expected to end up in control of the company. "I am the logical buyer, and I intend to own it," he said. "I will give my brother fair value and let him go his way, and I'll go mine."

But it may be too late for that. Even though Ronald remains bitterly opposed to selling to an outsider, he may be powerless to stop the sale. Herbert Chaice, the lawyer for Gerald Schultz, a trustee of the business, said, "My own personal view is that Ronald will resist the process as long as he has breath."

Ronald, 57, has offered to buy his brother's half of the business on multiple occasions, court papers show. But Bruce, 54, repeatedly refused to sell his share. Ronald, a trustee of the business

as well as its chief executive, carefully guards the company's financial numbers. Two independent trustees - an official from Bankers Trust Company and Mr. Schultz, who is also a former chief financial officer of the business have complained that Ronald has blocked their repeated requests for detailed information.

Some of those involved in the case estimate that Harry Winston has sales of \$150 million to \$200 million a year. By comparison, Tiffany & Co., which has expanded as a public company far beyond its Fifth Avenue roots, had sales last year of about \$1 billion, and its stock is now worth about \$1.6 billion on

See WINSTON, Page 17

It's Not Over Yet for South Korea

As Economy Shrinks, Many Say Problems Are Still Getting Worse

SEOUL — The economy contracted for the first time in 18 years in the first quarter, the South Korean central bank said Thursday, prompting economists and officials to warn that the worst may be yet to come.

Gross domestic product, the total output of goods and services, declined at an annual rate of 3.8 percent during the first three months of the year, the Bank of Korea said. That followed a 3.9 percent growth rate in the fourth quarter and was the first decline since 1980.

"The economy is showing no sign of improvement," said Mark Neale, a researcher at Dresdner Kleinwort Benson Securities Ltd. "It's getting worse month by month."

Recent statistics on factory operating rates and import demand show that shrinking investment and consumption continue to hammer companies in almost every industry.

"If consumption and investment sentiment remain at these low levels, the economic outlook is very bad," a central-bank official said. "Any strong eco-

nomic improvements are unlikely."
South Korea, which in 1997 retained its ranking as the world's 11th-largest economy in terms of GDP, at \$442.6 billion, is struggling to overcome a fi-nancial crisis that forced it to seek a \$60 billion bailout from the International Monetary Fund in December.

Shim Sang Dal, a fellow at Korea Development Institute, a government research organization, said South Korea was in a recession. Most economists expect South Korea's gross domestic product to contract for the year.

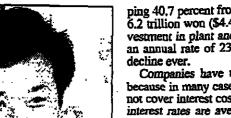
The finance minister, Lee Kyu Sung, said GDP would probably contract by between 0.2 percent and 0.8 percent, but most private estimates call for a sharper contraction.

The Federation of Korean Industries earlier predicted the GDP would contract 2.2 percent year-on-year in 1998. while the International Institute of Fi-nance drew a still gloomier picture, with

a 5 percent decline forecast.

The first-quarter GDP decline came as household consumption, which accounts for half of the economy, fell at an annual rate of 10.5 percent in the guarter - the worst decline since the central bank started compiling statistics in 1953.

If the government reacts appropriately, it can stabilize the situation within a couple of months," said Steven Marvin, head of research at Ssangyong In-



Lee Kap Yong, trade union chief.

vestment & Securities Co. "If they don't, the economy will go from re-

cession to depression While the GDP drop was not unexpected, it dealt a blow to the fragile Seoul stock market. The Korea Stock Exchange composite index ended down 86 percent, or 6.87 points, at 362.30.

The central bank's report said investment in machinery and equipment tumbled for a third straight quarter, drop-

ping 40.7 percent from a year earlier, to 6.2 trillion won (\$4.4 billion). Total investment in plant and equipment fell at an annual rate of 23 percent, its worst

Companies have to pare investment because in many cases their profits cannot cover interest costs now that market interest rates are averaging 18 percent. South Korean companies are also shifting inventory. Supplies including raw materials and finished goods numbled 9.75 trillion won in the first quarter from a year earlier. Part of the decline reflects a growth in exports. Exports of goods and services rose 27.3 percent in the first

quarter from a year earlier.
Output in the construction industry in the first three months feil 39 percent from the previous quarter, to 5.61 trillion won. Output of manufacturing industries dropped to 19.55 trillion won from 23.13 trillion won.

On the labor front, Lee Kap Yong,

head of the Korea Confederation of Trade Unions said restructuring measures were one-sided and unfair to workers because many employers were resorting to mass layoffs as their only

(Bloomberg, AFP, Reuters)

Greenspan Warns on Asia

The Associated Press

WASHINGTON - While noting some encouraging developments, Alan Greenspan, chairman of the Federal Reserve Board, said Thursday that the Asian financial crisis re-mained highly volatile and still could spread to other parts of the world.

Mr. Greenspan, along with Robert Rubin, the Treasury secretary, and Dan Glickman, the agriculture sec-retary, also said the U.S. economy had not yet absorbed the full impact of the financial turmoil that struck Indonesia. Thailand and South Korea last year.

"Clearly, those economies are not out of the woods, as recent events attest," Mr. Greenspan said.

Mr. Greenspan said there still was a ity" that the troubles in East Asia could have "unexpectedly large neg-

and "repercussions elsewhere, in-cluding the United States."

He also said there was a time lag between a financial meltdown in currency and stock markets and the impact of those developments on the overall economy.

'The effects of the Asian crisis on the real economies of the immediately affected countries, as well as on our own economy, are only now just being felt," he said. Mr. Greenspan appeared with Mr. Rubin and Mr. Glickman as part of an

effort by President Bill Clinton's administration to win approval for \$18 billion in additional support for the International Monetary Fund, whose resources have been depleted by the "small but not negligible probabil- need to organize more than \$100 billion in financial bailouts. The request has run into opposition in the House of ative effects' on Japan, Latin Amer-ica and Eastern and Central Europe IMF has mishandled the Asia crisis.

Thinking Ahead /Commentary

Bridging the French-American Kift

By Reginald Dale International Herald Tribune

ASHINGTON — A sure way to get a laugh at most Washington dinner parties is to tell an anti-French joke. Fan mail pours in to this column whenever it criticizes France, however mildly. France may be America's oldest ally, but the two countries are also entwined in a unique love-hate relationship. The two cultures grate on each other. Americans react badly to what they see as French arrogance and selfishness; the French resent American power.

The advent of the global economy has given an added twist to this longrunning saga. The popular image of France in today's America is of a protectionist, socialist state fighting a vain and misguided rearguard action against market forces.

In France, it is fashionable to depict Godzilla bent on destroying the hallowed French way of life. Both images are overblown. Whatever else Americans may feel about France, they love the French way of life.

Trichet, the governor of the Bank of France, recently told a somewhat surprised audience in Washington, France new trans-Atlantic trade pact, he insisted. is the world's third-largest recipient and exporter of foreign direct investment.

Rather than undermining the dollar, he said, the euro offered the prospect of U.S.-

to cut through these prejudices. In Paris, Hubert Vedrine, the foreign minister, is telling his compatriots to forget their complexes about American commer-

cial, military and cultural dominance.
This month, Pierre Moscovici, the
minister for European affairs, came to Washington to say, in unusually con-ciliatory terms, that France wanted to be friends and that a more integrated Europe with a single currency would not threaten the United States.

It is a good time for an olive branch. With the euro fast approaching, Amer-

Some in the French government are trying to end the mutual suspicion.

the United States as a ruthless capitalist ican suspicions have been riding high, with some believing that France wants the euro to dethrone the dollar, others that Paris will try to turn the euro zone into a protectionist fortress.

Mr. Moscovici, however, promised And France, the world's fourth-largest trading power, is far more engaged in the global economy than most Americans realize. As Jean-Claude trading system. That, not anti-Americans anism, was why France recently vetoed a European Commission proposal for a

Now the French, or at least some European management of the internamembers of the government, are trying tional monetary system, and a stronger Europe -- not a U.S. monopoly of power

was in America's best interests. Some Americans will be cynical about these blandishments. They do not alter the fact that in many fields France sees its interests as differing from those of the United States, and that French and American views of the role of markets are poles apart.

But it seems clear that France has decided that the global economy calls for a stronger trans-Atlantic relationship and that Europe, with the euro and moves toward a common foreign policy, should increasingly qualify as an equal partner for the United states.

The key aim would be "shared leadership," allowing France, through Europe, to gain power relative to America. Now that Brussels and Washington have at least temporarily defused their dispute over U.S. economic sanctions against Cuba, Iran and Libya, France will be more willing to discuss closer trans-Atlantic trade and economic cooperation.

That could augur well for other contentious areas, such as the role of France
— and Europe — in the North Atlantic
Treaty Organization. At the very least, Paris is saying it wants more love and less hate in the French-American relationship. That is progress. But the demand for good French jokes in Washington is unlikely to diminish soon.

E-mail address: thinkahead@washpost.com

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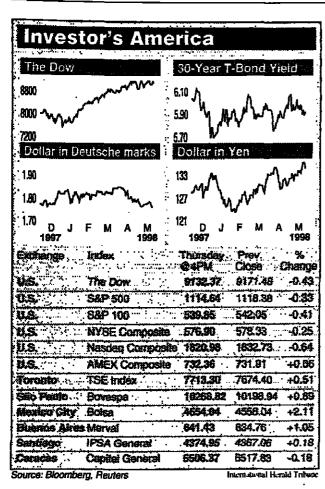


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THE AMERICAS



Very briefly:

- Lincoln National Corp. is buying Aetna's U.S. individual life insurance business for \$1 billion, its second large life insurance acquisition this year. The deal to buy \$50 billion in insurance business from Aetna comes on the heels of Lincoln's \$1.4 billion acquisition of Cigna's individual life and annuities businesses in a deal completed Jan. 2.
- Continental Airlines has agreed to buy a 19 percent stake of Aerolineas Centrales de Colombia SA, which is based in
- Charles Schwab Corp. reorganized its management, giving additional responsibilities to top executives. Schwab named Linnet Deily, head of the unit that serves independent investment advisers, president of Schwab's retail group, a new position. It appointed chief financial officer Steven Scheid to oversee the company's mutual funds and brokerage business, new product development and management, and risk and
- Barnes & Noble Inc., the largest U.S. bookseller, said its fiscal first-quarter loss narrowed to \$3.34 million from \$3.9 million a year earlier. Sales for the quarter ended May 2 rose 12 percent, to \$666.3 million.
- H&R Block Inc. said its tax preparation and filing fees in the United States rose 9.5 percent from a year earlier in the tax season ended April 30.

U.S. Firms Go on Asia Buying Spree

Thursday's 4 P.M. Close The 300 most traded stocks of the day,

ARCL by ARCL b

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Asian concerns has hit record levels this year. Through May 9,132.37, and the Standard & Poor's 13, acquisitions of Asian companies totaled \$4.8 billion, according to Securities Data Co. That is an increase of 14 ercent over 1996, the busiest year ever.

Japanese companies made up 54 percent of the announced advancing ones by a 4-to-cymakers have a ratio on the New York Stock Exhigher rates. percent over 1996, the busiest year ever.

acquisitions, for a total of 13 deals valued at \$2.6 billion.

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Motorola Switches Its Bets on Satellites

NEW YORK -- Motorola Inc. said Thursday it would end its \$12.9 billion Celestri satellite project and invest about \$750 million in rival Teledesic LLC as part of a plan to focus on more profitable ventures.

Motorola, which is abandoning Celestri less than a year after announcing the ambitious project, will get a 26 percent stake in closely held Teledesic. The investment includes an undisclosed amount of cash and the value of Celestri's design and development work that will be redirected to Teledesic.

By teaming up with Motorola, tions anywhere in the world through Teledesic's backers - Microsoft a network of 288 satellites that are Corp.'s chairman, Bill Gates, and scheduled to begin service in 2003. the cellular-phone pioneer Craig McCaw - are eliminating one competitor and hoping to grab a bigger piece of the satellite-communications market. Motorola also is elim- Teledesic project.

inating billions of dollars in costs for Celestri and will become Teledesic's prime contractor.

This is a natural fit of core competencies, know-how and vision," said Christopher Galvin, Motorola's chief executive. "Rather than continuing along our separate paths, we're combining our best efforts to deliver a new generation of broadband communications services to people around the world."

Motorola shares closed at \$55.5625 Thursday, up 56.25 cents. Teledesic plans to provide Internet, voice and video communica-

Boeing Co., the world's largest aerospace company, and Matra Marconi Space, a satellite manufacturer, will become a partner in the

Matra Marconi Space is the joint venture formed by Lagardere SA of as a bold competitive move by the France and General Electric Co. of world's largest maker of cellular

had 1997 revenue of \$1.5 billion. Motorola's move comes as Mr. Galvin is trying to shake up Mo-SA and Loral Space & Commutorola, the world's largest maker of nications Ltd. of the United States. cellular phones, to turn around its falling profit and stock price.

works. Through its 21 percent stake become a supplier to other satellite in Iridium LLC, Motorola already has started to launch a S5 billion satellite system for wireless phone sixth multibillion-dollar satellite calls. Motorola also has proposed a project called M-Star, a \$6.1 billion

venture that will use 72 satellites. Motorola said last June it would communications to phone companies, businesses and telecommuters. operating in 2001.

At the time, Celestri was viewed Britain. It employs 5,000 people and phones and pagers. It would dwarf plans by Teledesic and a joint ven-ture of France's Alcatel-Alsthom

But Celestri also would have posed a conflict for Motorola With Ce-Besides Celestri, Motorola has lestri, Motorola will operate its own plans for two other satellite net-network. At the same time, it hopes to system operators such as Teledesic.

Celestri would have been the venture, and competition in the field is already formidable. Alcatel-Alsthom and Loral have proposed a \$3.9 billion satellite system called build the \$12.9 billion Celestri net-work to provide voice, data and video based on 64 low Earth-orbiting satellites and is expected to begin

Dollar Sags In Wake of Suharto Exit

NEW YORK - The dollar fell against most other major currencies Thursday as martis tensions eased after the resign nation of President Suharto of Indonesia.

Dealers said investors had trimmed dollar holdings they had recently accumulated on fear that the turmoil in Indone sia might spread. Mr. Suharto's

FOREIGN EXCHANGE

departure was seen as the first step toward a peaceful solution But worries about his suc. cessor, B.J. Habibie, limited the dollar's losses because of con-

cern that someone so closely

identified with Mr. Suhano

might still face civil unrest Mr. Habibie "wasn't likedas" vice president, so why would be be liked as president?" asked Marc Chandler, a strategist at

Deutsche Morgan Grenfell. The dollar fell to 134.95 year in 4 P.M. trading from 136.01

yen Wednesday. The dollar also fell against most European currencies on expectations that interest rates in Europe may head higher. It fell to 1.7585 Deutsche marks from 1.7703 DM, to 5.8925 French francs from 5.9365 francs and to 1.4643 Swiss francs from 1.4763 francs. The pound slipped to \$1.6305 from

Now there's a viable alternative to the dollar," with the European rate outlook, said Bill Bertha, a dealer at Mellon, Bank. (Bridge News, Reuters):

Zapata Goes Fishing but Fails to Land Excite

By Mitchell Martin rnational Herald Tribune

NEW YORK — Zapata Corp., a fishing company that was founded as an energy concern by George Bush before he entered politics, made an unexpected and unwelcomed \$1.72 billion all-stock bid Thursday for the Internet search-

engine concern Excite Inc. The bid was seen on Wall Street as a gambit to draw attention to Zapata's recent expansion into the on-line industry. The company — controlled by its chairman, the millionaire investor Malcolm Glazer — last month acquired two on-line magazines and has been offering through newspaper advertisements to purchase World

'acquire and consolidate leading In- search-engine companies were at- bring "capital resources" to Excite. ternet and e-commerce businesses into a global network.

Zapata said it would only pursue a friendly bid, but Excite quickly rejected the offer. In a press release drolly headlined "Excite Declines to Acquire Food Processing Com-pany," the Redwood City, Califor-nia-based company noted that its market capitalization was about \$1.3 billion, compared with the \$250 million value that investors place on Zapata's stock. Excite said that disparity and "the complete lack of synergy" between the companies' businesses mean that the offer "holds no possible value" to its shareholders.

Andrea Williams, an analyst at Volpe Brown Whelan & Co. in San Wide Web sites. It said its goal was to Francisco, agreed but said Internet

tractive to other potential buyers. "I although it was unclear whether he continue to believe there will be was referring to his father's wealth, other people that take a good hard estimated by look at these companies," she said, \$300 million. but bids that are successful are likely to come from companies that offer a greater synergy.

Avram Glazer, the president of Zapata and son of its chairman, said the offer of \$72 a share in newly issued stock for Excite had provided "an immediate premium" to the company's market price. Excite's stock closed at \$61.1875 Thursday. up \$1, while Zapata fell \$1.25 cents to \$10.5625. Its shares were trading at \$6.50 in January before the company sold part of its Omega Protein

Corp. to the public. Mr. Glazer also said Zapata could

estimated by Forbes magazine at

A Zapata source said the company's campaign to buy Web sites had drawn sufficient, publicity and that the offer was a serious bid to expand into the Internet business.

Excite offers free on-line information services under its own brand name and as Webcrawler. There are localized versions of Excite, which Ms. Williams said was the secondbiggest service of its kind behind Yahoo Inc., in Australia, Britain, France, Germany, Japan, the Netherlands and Sweden.

Mr. Bush sold his Zapata hold-

Fears of Higher Interest Rates and Lower Earnings Shake Wall Street

NEW YORK - Stock prices fell Thursday on worries about the profit outlook for high-technology companies and expectations of higher interest rates this year.

The Dow Jones industrial average NEW YORK — The number of U.S. companies buying closed 39.11 points lower at 500 index fell 4.42 points to 1,114.64. Declining issues outchange, and the technology-heavy

Nasdaq composite index closed nomic expansion and the firming of earnings Tuesday but said it had been 47% after an analyst at BT Alex. 10.77 points lower at 1,820.98. The price of the benchmark 30year Treasury bond fell 13/32 point to 102 25/32, sending the yield up to 5.92 percent from 5.90 percent

Wednesday,

Federal Reserve policymakers. The profits and expansion potential. minutes confirmed that Fed policymakers had adopted a bias toward

Bonds fell after the release of

tightening likely would be needed."

Higher rates increase the cost of

U.S. STOCKS minutes from the March meeting of corporate borrowing, eating into

Dell Computer led technology is-sues lower, falling 4 11/16 to 87 1/16 on worries that price wars will slash recovering from a slump. 'Should the strength of the eco- profit. The company reported strong

May 21, 1998

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July 98 53,00 5195 51,95
Aug 98 53,00 4922 49,27
Ext. solice 12 Weet's solice 1,715
Weet's open int 6,135, off 32

GARWORLD 11 (MCSE) 2,000 Res. cents per lb. 198 9.04 8.77 8 198 9.19 9.15 9 197 9.42 9.40 9 197 9.64 9.64 9

9.04 9.19 9.43 9.64

the labor markets persist, policy forced to cut prices to increase sales. Compaq Computer fell 1 to 28

> "There are general concerns about the health of the PC business," said Vadim Zlotnikov, an analyst at Sanford Bernstein & Co. "This raises the hurdle for what is necessary to show strong earnings growth."

Intel fell 21/s to 741/s amid doubts that the chipmaker's business was Manugistics Group fell 81/2 to

Brown & Sons Inc. warned that the manufacturing-software developer may fall short of earnings expectations because it might have trouble closing orders.

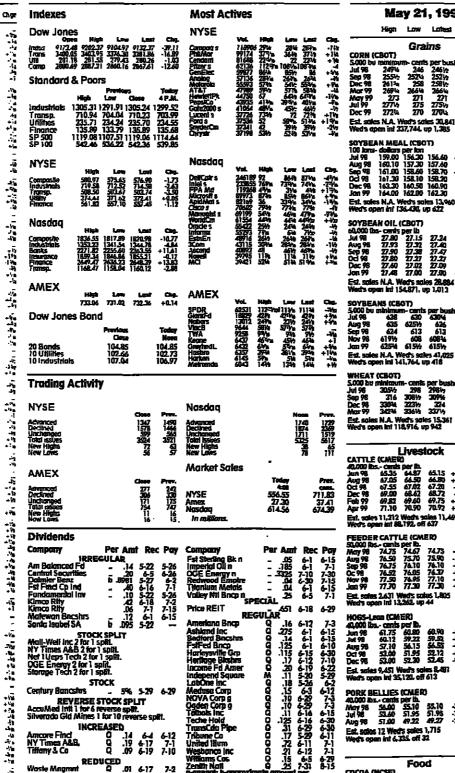
Pfizer fell 3 11/16 to 1091/s after the company said it would warn paramedics and emergency-room physicians that patients who had been taking Viagra, the drugmaker's anti-impotence pill, should not be given nitrates for heart prob-(Bloomberg, AP)

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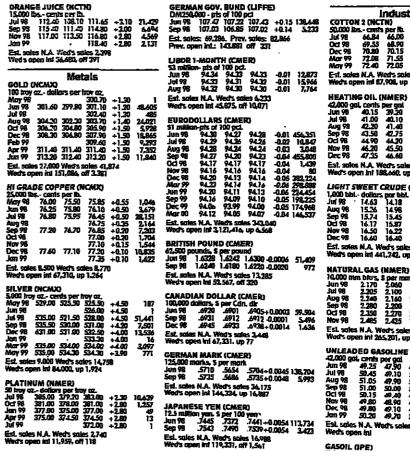
British Br.

U. S. STOCK MARKET DIARY



INCREASED 0 .14 6-4 6-12 8. 0 .19 6-17 7-1 0 .09 6-19 7-10 REDUCED 0 6-17

INTERNATIONAL FUTURES



JAPANESE YEN (CMER)
12.5 million year. 5 per 100 year.
Jun 98 J.445 73772 J.440 1-0.0054 113,734
598 J.543 1.749 7.539+0.0054 3.423
Est. soles N.A. Wad's soles 16,798
Wed's open int 119,331, aft 1,561

MEXICAN PESO (CARER)
50,000 pesos, \$ per peso
Jun 98 11500 11460 111467 + .00022 24,861
Sep 98 11100 110665 10645 + .00010 7,435
Ed. sales N.A. Wedt sales 15,077
Wedt open int 43,761, up 2,574

Est. Soles N.A. Wed's soles 15,077
Wed's open int 43,761, by 2,574

3-MONTH STERLING (LIFFE)
ESO(0,000 - pts of 100 pcf
Jun 99 92,150 92,260 92,260 +0.070 113,786
Dec 78 92,780 92,000 92,760 +0.070 113,786
Dec 78 92,780 92,000 92,770 +0.090 12,176
Mar 99 92,780 92,000 92,770 +0.090 12,176
Jun 99 92,130 92,000 92,770 +0.090 87,407
Dec 79 92,400 92,300 92,400 +0.090 87,407
Dec 79 92,400 92,300 92,400 +0.090 87,407
Dec 79 92,400 92,300 92,400 +0.090 87,407
Dec 99 92,300 92,300 92,400 +0.000 12,170
DMS Immission - pis of 100 pcf
Jun 98 96,260 98,250 96,360 +0.005 24,405
Jun 99 98,250 98,350 96,360 +0.005 24,405
Jun 99 98,250 98,350 98,360 +0.005 24,405
Jun 99 98,250 98,350 98,360 +0.005 24,605
Jun 99 98,250 98,350 98,360 +0.005 24,605
Jun 99 98,250 98,350 98,360 +0.005 24,605
Jun 99 98,250 98,350 98,360 +0.005 22,505
Dec 79 98,400 98,570 98,570 90.001 (Jul 98)
Sup 99 98,580 98,365 98,366 40,000 279,552
Dec 79 98,400 58,605 98,360 +0.000 279,552
Dec 99 98,580 98,365 98,366 +0.000 279,552
Dec 99 98,580 98,365 98,366 +0.000 279,552
Dec 99 98,400 58,565 98,366 +0.000 279,552
Dec 99 98,400 58,365 98,366 +0.000 279,552
Jun 90 98,700 98,700 98,700 98,700 115,784
Prev open into 22,72,705 off 2,007

LONG CILT (LIFFE) £50,000 - pts & 32nds of 100 pct Jun 98 100.49 108.08 100.35 + 0.29 220,119 Est, sales: 108.825. Prev. sales: 141,526 Prev. open lnf.: 230,119 off 7,647

BRENT OIL (IPE)
U.S. dollars per bornel - kols of 1,000 bornels
Jul 98 14.00 13.72 13.98 + 0.26 84.36
Jul 98 14.00 13.72 13.98 + 0.26 84.36
Aug 98 14.25 14.01 14.29 + 0.31
Sopy8 14.25 14.01 14.29 + 0.31
Sopy8 14.55 14.55 14.54 + 0.16 13.53
Cot 98 14.81 14.64 14.84 + 0.17 11.52
Nov 98 15.05 14.95 15.08 + 0.17 10.57
Dec 98 15.09 15.15 15.29 + 0.18 13.56
Est. soles: -60.000. Prev. soles: 67.225
Prev. open latt. 242,549 up 5.344

Read THE MONEY REPORT

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EUROPE

Ahold Plants the Flag in a New Dutch Empire in America Investor's Europe Investor's Europe Investor's Europe

By Anne Swardson Washington Post Service

ZAANDAM, Netherlands -Three flags fly in front of the modern headquarters here of Royal Ahold NV, soon to be the owner of the U.S. supermarket chain Giant Food Inc.

One is the Dutch flag, of course, and another is the company banner. The third is the American flag.

It embodies, executives say, the deeply held view that the United States is not just another foreign market for this far-finng food retailer, which operates in 17 countries. Ahold views itself as a Dutch-American firm - and it wants the

American part to keep expanding. We want to become the best food provider in the United States," the company's president and chief executive, Cees van der Hoeven, said Wednesday. "If, as a consequence of that, we become No. 1 in the United States, that's fine."

Over a Dutch "power lunch" of cold cuts, cheese, tomatoes, brown

bread and orange juice, Mr. van der and financial statements were prefuture and the path that led the gro- 11:30 A.M., Mr. van der Hoeven cery conglomerate to agree to buy called Sainsbury and laid out the Giant for about \$2.7 billion.

In 1991, Ahold executives first approached Giant's chairman, Israel down. The transaction became a se- isfied. rious prospect this March, when 1224 Corp., representing the late were prepared to take control, but it's Mr. Cohen's interests, approached Ahold to discuss a buyout.

Ahold was more than willing to talk, but it wanted to own the whole company. The British grocer J. Sainsbury PLC owned 50 percent of the voting stock and had four seats on the nine-person board - and it was not selling. The standoff continued for two months before Ahold and the 1224 group agreed to go ahead, even with the possibility of Sainsbury as a minority and possibly cantankerous partner.

Hoeven and other executives pared, and the public announcement purchase plan.

But only an hour later, the phone rang: Sainsbury was willing to sell. in Giant, and they were turned Hoeven could not help looking sat-

"We were ready to go ahead, we always hard when you have two competitors in the same boat," he said. The Giant purchase was big news in the Netherlands. One newspaper began its article: "Hillary Clinton has

just become an Ahold shopper." Although Ahold is a powerhouse in the Netherlands, it has a fairly small corporate infrastructure, with only 100 people employed at the holding company. But its growth has been rapid. Five years ago, Ahold had 1,600 stores in four counbly cantankerous partner. tries; by the beginning of this year, it had 3,200 stores in 17 countries.

Still, the United States and the Netherlands account for 99 percent sketched out Ahold's plans for the was planned for later that day. At of its profit. "Or maybe that's 110 percent," its chief financial officer, Michael Meurs, joked in a reference to its losses in Asia as new operations start up and the Asian financial crisis

Ahold has no presence in Italy, Germany, France or Britain, although it recently said it was reconsidering its decision to stay out of those markets. Ahold plans to move slowly with

Giant, the Ahold executives said. Mr. van der Hoeven will not even say when or whether he might go to Washington to meet company employees, saying, "That's not a big deal." Ahold learned with a disastrous venture in Spain in 1976 to let local managers run the stores. Today, it has 140,000 employees in the United States, and executives say only one of them, a management trainee, is Dutch.

As for changes in the way the Giant stores are operated, Ahold ex-

He is also trying to make investors

forget that he sold Seagram's 23

percent stake in Du Pont Co. for \$8.7 billion to fund the \$5.7 billion pur-

chase of MCA in 1995. The Du Pont

investment would now be worth

more than \$19 billion because of

Seagram also said Thursday it

would spin off its Tropicana Products

inc. juice unit in a public offering that

the company expects will generate as

gains in the company's shares.



Cees van der Hoeven of Ahold.

ecutives say local management will

"The name will definitely be preserved," Mr. van der Hoeven said, referring to Giant.

Coke Bottler Looks East

LONDON — Coca-Cola Beverages PLC, which announced plans Thursday to sell shares on the London Stock Exchange, believes there is enough spending power in Eastern Europe to produce "double-digit" volume growth for Coca-Cola brands over the next few years, according to its chairman, Neville Isdell.

The company was created from a spin-off of the European operations of Coca-Cola Amafil Ltd. of Australia plus Coca-Cola Co.'s interests in northern and central Italy. It had sales last year of £1.2 billion (\$1.96 billion).

The shares will be priced at the equivalent of 3.40 to 4.30 Australian dollars (\$2.13 to \$2.69), the company said.

Mr. Isdell said the company

would concentrate on increasing soft-drink consumption in its current 13 markets in Eastern and Central Europe and said it was not planning any acqui-

The average per-capita con-sumption of Coca-Cola brands in those markets in 1997 was listed as 62 servings of eight ounces (240 milliliters) each, with a range from 18 in Ukraine to 158 in Switzerland. The comparable figure in the European Union as a whole was 139 servings. (AFX, Bloomberg)

FISE 100 Spanier Spanier And Mentrid Slock Exchange / 879.52 849.57 879 Milan : XIII-Millife Diving 24758 25740 4 418 Pade CAC-IO Closed 4847.92 Stockholiel SX 16 Charet 4 (29:55 Flering ATX Closed 1506.59 Zuriet SET Closed 4,000.01

Verv briefly:

 Turkey revived a \$20 billion natural gas agreement with Iran that it had canceled under pressure from the United States and will begin to receive gas from its eastern neighbor next year, a senior government official said.

 Clear Channel Communications Inc. of the United States raised its offer for More Group PLC, a British outdoor advertising company, to £475 million (\$775.8 million) from £446 million, matching a bid from Decaux SA of France.

• Israel's Mirabilis Ltd., a software company, refused to comment on reports that American Online Inc. was offering to buy it for \$300 million. · Harrods, a London department store, lost a court battle to

protect its name from being marketed worldwide by Harrods (Buenos Aires) Ltd. and Harrods (South America) Ltd., two Latin American companies that were formerly associated

 The European Bank for Reconstruction and Development posted a first-quarter profit of 21.5 million European currency. units (\$23.8 million), compared with a loss of 7.9 million Ecus a year earlier, as gains from investments rose and costs fell. • Ireland's minister for public enterprise, Mary O'Rourke,

said the government had accepted her recommendation to end Telecom Eireann's monopoly on voice telephony, to attract further international investment in telecommunications. • RAO Gazprom's chief executive, Rem Vyakhirev, said

Russia's natural gas monopoly would sell \$1 billion in Eurobonds in June, later than originally planned, because of AFP. Reuters. Bloomberg insufficient investor interest.

Ericsson Pondering U.S. Purchases

MELBOURNE - The chief executive of LM Ericsson AB,

a Swedish telecommunications company, said Thursday that the company was considering acquisitions in the Silicon Valley in California and that it might move its headquarters abroad.

During a visit to Australia, Sven-Christer Nilsson, the chief executive, said he was looking for "good acquisitions" and that the most promising area seemed to be the Silicon Valley.

Mr. Nilsson also said the company was thinking of moving its headquarters to be closer to its owners, customers and staff, most of whom were outside Sweden.

Airbus Group Rejects Using Ukrainian Plane

Bloomberg News BERLIN - The military division of Airbus Industrie, set up to manage development of a new military transport plane, on Thursday rejected using a Ukrainian-built Antonov plane as the basis for Europe's 21st-

century heavy-lift aircraft. The rejection was announced after a meeting at the Berlin air show of government officials involved. Germany has been pushing for the group to consider the plane, the Antonov-70, as an alternative to starting from scratch on the Future Large Air-

craft, as the project is known.
The decision leaves the group free to concentrate on meeting the deadline of next Jan. 31 set by European governments for detailed project proposals.

The group is likely to face Lockheed Martin Corp. and Boeing Co. in competing for contracts to build around 400 planes. Boeing is expected to offer its C-17 and Lockheed Martin its C-1301 plane.
The companies involved in the

project are the four Airbus partners — Aerospatiale of France, Daimler-Benz Aerospace AG, British Aerospace PLC and Construcciones Aeronauticas SA of: Spain — and defense companies in Italy, Belgium, Portugal and

ney Co.'s \$18.9 billion purchase of capital Cities/ABC Inc. and the \$11 year has suffered through major film AMSTERDAM - Seagram Co., year has suffered through major film the Canadian owner of Universal billion merger of Time Inc. and disappointments such as "Primary Colors" and "Mercury Rising."

Seagram Makes Bid for PolyGram

Studios, said Thursday it would buy PolyGram NV, the world's largest music company, for about \$10.6 billion in stock and cash.

Seagram said it would pay \$59 a share for PolyGram, which is 75 per-cent owned by Royal Philips Electronics NV, Europe's largest elec-tronics company. PolyGram shareholders have the option to accept a combination of cash and as much as

\$2 billion in Seagram shares. The transaction is one of the biggest in the entertainment in-dustry, eclipsed only by Walt Dis-Bronfman is trying to turn around his Tropicana for \$1.2 billion in 1988.

ures provided further evidence

Thursday of a slowdown in British

economic growth, but analysts said

it was far too early to look for a cut in

The Office for National Statistics

said retail sales in April rose just 0.1

percent, compared with economists'

forecasts of a 0.4 percent increase,

and revised growth in March to 0.2

percent from 0.3 percent.
The governor of the Bank of Eng-

Parliament's Treasury committee, said the data showed "very weak"

growth in spending.

interest rates.

Warner Communications. Edgar Broofman Jr., chief exec-

utive of Seagram, is buying a company with about \$5.49 billion in annual sales, artists such as Elton John. Hanson and U2, labels such as Motown and Mercury and a film library worth an estimated \$1 billion. Seagram, which also makes and

markets spirits, wines and other beverages, got into the entertainment industry when it paid \$5.7 bil-lion for most of MCA Inc., now

mand that the central bank sought.

Retail Sales Data Confirm U.K. Slowdown Mr. George said the figures poin- growing right through the last year at LONDON - Soft retail sales fig- ted to the slowdown in domestic de- an unsustainable rate. Productive ca-

> Financial markets reacted to the figures by pushing the pound down from 2.8882 Deutsche marks Wedslowdown was necessary. Mr. George said that despite the nesday to 2.8691 DM Thursday, taking the view that slower consumer spending made a further rise

percent, unlikely. The figures appeared to bolster omists said it was premature to ex-the assessment of Willem Buiter, a pect the central bank to start member of the Bank of England's land, Eddie George, testifying to Monetary Policy Committee, that the economy was losing steam. "The economy is clearly slowing bellwether M4 money supply to down," Mr. Buiter said. "It was 10.3 percent from 9.5 percent.

pacity was utilized to a greater extent, the labor market tightened and a

evidence of a slowdown, he saw hardly any risk of a recession. But with underlying inflation of 3.0 percent, well above the government's 2.5 percent target, econ-

in official interest rates, now at 7.25 relaxing credit --- especially as other figures on Thursday showed a sharp increase in annual growth in the

WORLD STOCK MARKETS

Markets Closed

Stock markets in Jakarta and in most of continental Europe were closed Thursday

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NYSE

STUMBLING IN HER

DELICATE SATIN SLIPPERS

AND ALMOST TRIPPING ON THE hem of her diaphanous gown, the young bride fought back tears of irritation. Much as she abhorred the idea of a row with her new husband on only their second day of wedded bliss, she could not imagine why he was insisting she made her way to the moonlit Raffles' poolside in full evening regalia. 'Are you sure the restaurant's this way, darling?' she ventured through gritted teeth, all too aware of her husband's famously poor sense of direction. Only I'm not really dressed for one of your short cuts.' It was then that the tears began to flow in earnest. For there at the poolside, bathed in a soft candlelit glow, was an exquisite table à deux

and Beverage Manager, whose collaboration in this surprise had been

Div Yid PE 1005 High LowLotest Cirgo

Thursday's 4 P.M. Close The 2,600 most traded stocks of the day. rwide prices not reflecting late trades elsewhere

12 Manih High Low Stock

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bottle of champagne chilled

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Continued on Page 18

ASIA/PACIFIC

Bank of Japan's Assessment of Economy Worsens

Compiled by Our Staff From Desputies

TOKYO - The central bank lowered its assessment of Japan's ailing economy Thursday, saying the cycle of output, income and spending had numed negative and that downward pressure remained strong.

The new assessment came amid

reports that the government was ready to acknowledge what private economists had long said: that Japan's economy is in a recession. Domestic media said the government's Economic Planning Agency would announce the recession in June after consulting a panel of experts meeting to assess the economy.

The central bank said that publicworks spending had bottomed out, that growth in exports had peaked because of slowdowns in Asian economies, that capital investment was in decline and that consumer spending showed no sign of improvement.
These factors "indicate produc-

tion, income and expenditure show negative interaction with one another," the bank said, suggesting it was more pessionistic about the economy than it was a month ago. Still, the bank said it expected a 16.65 trillion yen (\$122 billion) gov-

ward pressure on the economy. The package has new measures and is also substantial in size," said Masaru Hayami, the central bank's governor. "At least we can say it will work positively for the economy. We need to watch for a while."

ernment stimulus package released

last month to alleviate the down-

Mr. Hayami said economic con-Mr. Hayami said economic conditions had prompted the Bank of Japan's policy board to maintain its current easy monetary policy.

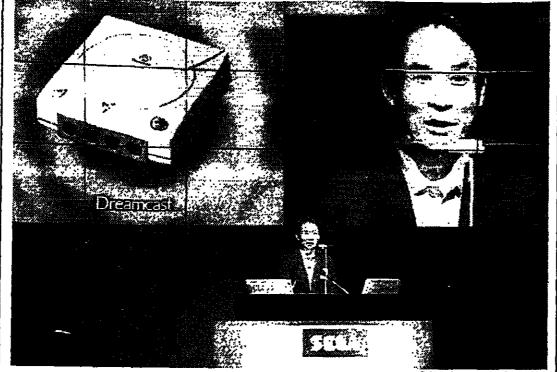
Because of the weak economy, the beat had been the discount rate.

the bank has kept the discount rate, the rate it charges for overnight loans, at a record low of 0.5 percent since September 1995 and its target for overnight loans between banks just below that level.

Japan's unemployment rate reached a post-World War II high of 3.9 percent in March, and corporate bankruptcies rose 16.4 percent in the year that ended March 31, with liabilities from those failures reaching a record 14.5 trillion yen, up 57 percent from a year earlier.

The central bank said prices were likely to weaken, reflecting high inventories and weak demand. Wholesale prices continue to fall, and consumer prices are nearly static, the bank said.

Masayuki Matsushima, head of the central bank's research and statistics bureau, told the Nihon Keizai newspaper last week that Japan could face deflation in three to six (Reuters, Bloomberg)



Shoichiro Irimajiri, president of Sega, introducing the Dreamcast console Thursday in Tokyo.

Sega Dreams Up New Video Game

Latest Digital Machine Will Be First With Internet Access

Compiled by Our Staff From Disputings

TOKYO — Sega Enterprises Ltd. said Thursday it would re-place its struggling Saturn game play with a 128-bit home videogame machine called "Dream-cast" running Microsoft Corp.'s Window CE operating system.

The player will be the first game

machine with access to the internet. Sega's machine will challenge Sony Corp.'s PlayStation and Nintendo Co.'s Nintendo 64 in the estimated \$15 billion video game

will become a de-facto standard tendo 64 machines as of Sept. 30. for the future of digital entertainment," Sega's chairman, Isao Okawa, said.

The new machine will be launched in Japan on Nov. 20 and in 1999 outside Japan.

Sega is betting that Dreamcast's faster graphics performance will enable it to build on the Saturn's 5 around Sega's financial perfor- and a 64-channel sound system in

for the year to March 31 on Friday, Dreamcast was developed in coand the company has already warned it will post a loss because of weak U.S. sales,

rival, Sony, has driven earnings up NEC's new three-dimensional to record levels, helped by strong graphics chip, the PowerVR. sales of its PlayStation. Sega said it sold 5 million Saturn

machines since they went on sale in November 1994 in Japan, and the rest of the world in 1995. By contrast, Sony said it shipped 30 mil-lion PlayStations since they went on sale in December 1994. Nintendo Tam confident that Dreamcast said it had sold 11.5 million Nin-

The weak sales of Saturn have left Sega with a mountain of inventory, Shoichiro Irimajiri, the company's president, said in March. Reducing that inventory from 24.2 billion yen as of March 1997 to 5.7 billion yen for the year just ended hurt Sega, he said.

Sega's new machine will have percent market share and turn high-definition graphics capacity mance. Sega will release its profits addition to Internet access. The

operation with Microsoft, Hitachi Ltd., VideoLogic Group PLC and f weak U.S. sales. Yamaha Corp. The machine will As Sega's profits have fallen, its use a Hitachi SH microchip and

Industry sources say the machine will sell for less than \$200.

"If Sega can keep the price down, the Dreamcast could be a killer machine," said Dan Lucas, an analyst at Towa Securities Co. If Sega can market the machine successfully and find the right software it could capture 20 percent to 30 percent of the global market within 18 months, Mr. Lucas said.

"The machine will be more compatible with PCs than any other video-game machine has been," Mr. Lucas said. That puts pressure particularly on Nintendo because Sony is probably closer to developing a replacement for the Play-Station than Nintendo is for the Nintendo 64, Mr. Lucas said.

Sega shares rose 130 yen to 2,390. (Bloomberg, Reuters, AFP)

Buybacks **Bolster Tokyo** Stock Market

TOKYO - More than 150 Japanese companies have announced plans in the past three days to buy back millions of their own shares to try to push up depressed stock

Sharp Corp., Nippon Steel Corp., Toyota Motor Corp. and Pioneer Electronic Corp, are among the companies that have announced plans to buy back shares under a law that took effect April 1. This month alone, at least 300 listed companies have said they will buy back or have already bought back their shares.
"It's a freebie, win-win restruc-

turing for Japan," said Kevin Hebner, strategist at SBC Warburg. "No plants are closed, no workers are fired, there's no cost and lots of advantages."

The announcements had an immediate impact on share prices. The wave of buybacks helped push the benchmark Nikkei 225 stock index up 537.56 points, or 3.5 percent, over the past week. The index closed at 15.845.25 on Thursday, up 192.25 points, or 1.2 percent, on the

day.

"Investors are just buying the shares on the announcement effect," said Craig Chudler, a strategist at Salomon Smith Barney

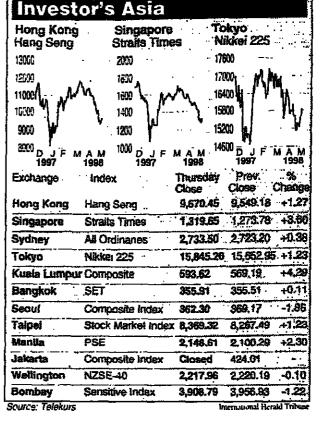
(Japan). Until last month, the Japanese government allowed companies to buy back shares only with their retained earnings — the portion of earnings not paid out to shareholders — up to a limit of 10 percent of the number of shares outstanding.

The announcements come in the

thick of Japan's earnings season, with more than 2,500 companies reporting their results for the year that ended March 31 and making

forecasts for the current year. Buybacks can benefit shareholders by reducing the number of shares outstanding, which increases earnings per share. They are often also seen as a vote of confidence in a company whose price has fallen so far it may be ready to rise again.

"The net effect is positive," said Darrel Whitten, strategist at ABN-AMRO Securities (Japan). "It takes excess scrip off the market."



Very briefly:

• The Philippine central bank approved two measures to reduce borrowing costs. It cut the percentage of deposits that banks must keep in reserve and raised interest rates on funds that banks keep at the central bank.

• Nippon Steel Co., the world's largest steel company, said net income soared 72 percent in the year ended March 31, to 5.95 billion yen (\$43.7 million), but warned that profit in the coming year would fall by two-thirds as orders drop from construction companies and carmakers.

• Honda Motor Co. will resume exports of its popular Accord model to the United States in order to meet unexpectedly high demand for the cars.

 Wu Yi, a top Chinese official, told the China Daily that the government's 8 percent growth target for 1998 was threatened the effects of the Asian financial crisis.

• Tokyo Electric Power Co. awarded General Electric Co. an order worth 70 billion yen for equipment amid growing U.S. pressure to open up Japan's power equipment market. • Ford Motor Co. said it wanted a 10 percent stake of Asia's auto industry in a decade and intended to stick to expansion plans despite the economic turmoil. Bloomberg. Reuters. AFP

Thailand's Jobless Rate Soars

BANGKOK - Unemployment in Thailand has ballooned beyond the government's worst expectations, with figures showing 2.8 million Thais out of work, officials said Thursday.

The latest survey by the National Statistical Office found that number of people, equal to 8.8 percent of the work force,

unemployed in February.

The survey said unemployment had surged from 5.4 percent last year. It said the sectors most affected were construction, which registered a drop of 1.1 million workers out of a work force of 3 million last year, and agriculture, which shrank by 500,000, to 11.9 million workers.

Collapse in Prices For Screens Cuts Sharp Corp. Profit

OSAKA, Japan — Sharp Corp., the world's largest maker of liquid-crystal display screens, said Thursday its pretax group profit fell 43 percent, to 50.6 billion yen (\$372 million), in the year that ended

March 31 because of a collapse

in screen prices.

change.

seem to agree.

Net profit dropped 49 percent, to 24.8 billion yea, Sharp said. Revenue was flat at 1.791 trillion yen. The results ended a four-year period of rising profit and sales. Sharp, which ana-lysts say has about 20 percent of the \$12 billion world market for the screens, suffered as average prices plummeted about 40 percent in the year, Hiroshi Saji, executive director, said.

(AFP, Bloomberg)

Harry, the patriarch, would

diamond empire turned over

to outsiders, those involved

was sold because of this, it

would break his heart," said

Elinor Wurtzel, who was Mr.

Winston's longtime personal

"I think that Bruce is very

Wohl complained that Ronald

had constantly kept Bruce in

"Ronald terminated him,"

he said, "as a strategy to make

When Mr. Winston died in.

1978 at the age of 82, his will

stated that shares in the family

business would be divided

the dark about the business.

him get out of the way."

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misgnided in this thing,

the New York Stock Ex- party circuit.

have hated to see his beloved Mr. Wohl said.

"If he knew the company his check."

WINSTON: Battling Brothers

Continued from Page 13 worked for the company but

Unlike the typical family Winston was worried that he

business feud — which usu- was not getting his fair share

ally begins at the founder's of the profit and complained

ally begins at the founder's funeral — the fight over Harry. Winston got off to a slow start. But that seems to have added to the bitterness.

"I think that Bruce is very "or ine profit and companied that his brother was not properly running the business.

"Bruce had totally relied on his brother," Mr. Wohl said.

When Road resisted his

Ronald Winston said. "He is the trustees for accounting of a mini-Howard Hughes the business. After they provided one, he contested it.

Bruce Winston, through in 1994, having already re-his lawyer, Edward Wohl, de-duced Bruce's salary from

clined to comment. But Mr. \$150,000 a year to \$75,000,

Sumitomo and Daiwa See Profit After Year of Losses on Bad Loans

Compiled by Our Staff From Dispatches

TOKYO - Sumitomo Bank Ltd. and Daiwa Bank Ltd., two of Japan's biggest banks, posted losses Thursday for their latest year to try to mop up a large part of their problem-loan mess.

But they said that their move would

help them return to reasonable profits for the current year, ending next March. Sumitomo Bank was especially confident that it would be able to manage its bad-loan problems after it took a 1.04

trillion-yen (\$7.6 billion) charge against 1997-98 results to cover existing and potential loan losses. "There are some uncertainties such as the Asian situation," said Masayuki Oku, a director at Sumitomo Bank. "But the

Sumitomo posted a pretax loss of 502.7 billion yen for the year that ended March 31. It had a profit of 68.1 billion yen the previous year. The bank said it expected a

only and do not include subsidiaries. At the end of March, Sumitomo's prob-

lem loans outstanding, calculated according to U.S. accounting rules, totaled 1.47 trillion yen, or 4.09 percent of its total loans outstanding. The bank said it had already covered 85.6 percent of its expected losses on problem loans.

Daiwa Bank said it expected a parentcompany pretax profit of 22 billion yen in

its current year after posting a loss of 151.22 billion yen for the year just ended. It estimated it would take loan-loss charges this year of 40 billion yen, compared with 389.98 billion yen in the year that ended March 31.

The bank also projected a parent-company operating profit of 65 billion yen this year, down from 96.46 billion yen in the most recent year, partly because the bank will continue cutting back its overseas assets. Daiwa said that while it had 958.1 billion yen of problem loans at the end of March, 71.5 percent of that amount had been covered by loan-loss reserves. (Reuters, AFX)

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NOTICE TO THE SHAREHOLDERS

Shareholders are informed that effective on 18 May 1998 CAZENOVE FUND MANAGEMENT LIMITED of 12 Tokenhouse Yard, London, FC2R 7AN was appointed new Sub-Manager and Advisor of the English and Itish portfolio in place of FP ASSET MANAGERS LIMITED, 15 Old Bailey, London

FP ASSET MANAGERS LIMITED is no longer Promoter nor Distributor and Nominee of Esprit Sicav.

A new Prospectus dated May 1998 will be available at the registered office of the Sicav.

For the Company The Domiciliary Agent
BANQUE DE GESTION EDMOND DE ROTHSCHILD LUXEMBOURG

prospects are good for cleaning up our

profit of 170 billion yen in the current year. The figures are for the parent company

was much more active on the Escorts & Guides

"He was not involved in

the business day-to-day.

Mrs. Wurtzel said: "Bruce was off doing whatever he wanted to do. He came in for

But in 1990, according to

court documents, Bruce began

to take an active interest in the

way the business was managed. Mr. Wohl said Bruce

overtures, Bruce petitioned

provided one, he contested it. In 1994, having already re-

Ronald dismissed his brother

from his marketing position.
"Ronald has done some

foolish things, and Bruce has done some foolish things,"

said Mr. Chaice, the lawyer

for Mr. Schultz, the trustee.

"But it is stupid and destruc-

tive and the most ridiculous

thing I have ever seen. I say a

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Recently, received his shares

Ronald, who was named chief
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Tel +39 (0) 335 619 0139 Credi Cards immediately; Bruce's were to Chaice said. "Harry Winston be parceled out over 25 years. is dead. The living have to take For many years, Bruce care of themselves."

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Herald Eribune PORTS

Italy Picks Baggio

SOCCER Cesare Maldini, the Italian coach, on Thursday in-cluded Roberto Baggio in his roster for the World Cup. Maldini also recalled Giuseppe Bergomi, a 34-year-old Inter Milan defender. Maldini omitted forwards Gianfranco Zola and PierLuigi Casiraghi (AP) Casiraghi.

Cipollini Wins Sprint

CYCLING Mario Cipollini sprinted to victory in the fifth stage of the Tour of Italy in Frascati on Thursday. It was his career 23d stage win in the race, a record.

Michele Bartoli, who started the day one second behind Sergei Gontchar, won a sprint bonus to take the overall lead by three



Mario Cipollini cruising after winning a Tour of Italy stage.

Devils Hire Ftorek

ICE HOCKEY Robbie Ftorek, the New Jersey Devils top assistant for the past two years, took over as the team's head coach on Thursday.

Ftorek, 46, replaced Jacques Lemaire, who resigned May 8 after the Devils were eliminated in the first round of the playoffs by Ottawa. The Devils had the best regular-season record in the Eastern

New Jersey won the Stanley Cup in 1995, the second of Lemaire's five years with the team. But they missed the playoffs the following

South Africa Wins

CRICKET South Africa took a 1-0 lead in the three-match series against England on Thursday with a comfortable three-wicket at the Oval in south London.

England, forced to bat first on a cloudy morning, made 223 runs for nine wickets from its 50 overs. Nick Knight was top scorer with 54.

Jacques Kallis hit 62 and skipper Hansie Cronje contributed 40 from 59 balls as South Africa reached the target with eight balls to spare.

30 Melodramatic

34 Party pooper

38 Therewithal

39 Stumpers?

40 Less languid

42 Defendant's

plea, briefly

43 Agents J and K.

45 Works toward a

World Roundup After 32-Year Wait, Real Recaptures Cup

But Madrid Coach Faces an Uncertain Future

By Peter Berlin

AMSTERDAM - The wait is over for Real Madrid, but the waiting goes on for Jupp Heynckes.

Real, coached by Heynckes, won the Champions Cup, formerly the European Cup, on Wednesday night when it beat Juventus, 1-0, in Amsterdam. It was the club's record seventh victory in the competition, but its first since 1966.

The team had spent more than 30 years struggling to recapture past glor-ies. Yet Heynckes, the coach who has brought the cup back to Madrid in his first year in charge, seems certain to lose his job. Even with the cup in his grasp, Lorenzo Sanz, the club president, seems unsure whether Heynckes has been a success or a failure.

Last summer, Heynckes took over the team from Fabio Capello, an Italian who had taken Real to the Spanish title.

Real started this season in dazzling style, racing to the top of the league in Spain, obliterating opponents in Europe. Yet as the season progressed, Real's form, especially in Spain, waned. Real finished fourth in the league, far behind the champion, its hated rival, Barcelona. In Europe, its form, and luck, held well enough to carry it to the final.

This subplot lent a surreal tone to the final. On the day before the match, Christian Panucci, Real's Italian defender, was told by a journalist that Capello had just been fired after one year in his second stint at AC Milan. Panucci was asked if he would like Capello to return to Real. "I hope so," said the player. "I have a good relationship with him."

Heynckes, sitting in the next chair, did not even blink.

At the press conference after the victory, the first question for Heynckes was whether he had just coached his last match in charge of Real. He complained that he wanted to talk about the victory and refused to answer the question.

At intervals, late-arriving Spanish journalists asked Heynckes whether he had quit or been fired and all received the same non-answer, which communicated so much.

The game itself was similarly frustrating. Two talent-laden teams were more adept at setting problems than solving them.

Afterward, Heynckes complained that the squad he had inherited at Real Madrid had neither the depth nor the balance to contend in both the Spanish League and Europe. (So it was all Sanz's fault, after all.) Yet on the field it was clear that his team, whatever its balance, was deeper than Juve's.

It was the Italian champion's third straight final. After the previous two it had sold players. Juventus can still field Zineddine Zidane and Alessandro Del Piero, the two outstanding players in the earlier rounds of this year's competition. On Wednesday, some of those around them were out of their depth.

The game itself, with only seven shots on goal and 51 fouls in the 53 minutes the ball was in play, was a sobering reminder of how much the game has changed since Real Madrid thrashed

Eintracht Frankfurt, 7-3, in the 1960 final. In those days, teams picked five or six attackers or creative midfielders. On Wednesday, two of Europe's strongest attacking teams opted for three each.

Heynckes adopted a formation that emphasized, in his own words, "discipline and order. Roberto Carlos, the exciting Brazili-

an defender, curbed his attacking instincts. Christian Karembeu, the muscular French midfielder, who had played right wing and scored against Borussia Dortmund, was brought inside to clog up the midfield.

Clarence Seedorf, the even more muscular Dutch midfielder, notionally played wide on the left, but he kept drifting inside, too. These two, along with Fernando Redondo, a muscular Argentine, are the models of modern midfielders.

They do not lack skill, but none of them are creative in the old-fashioned manner exemplified by Ferenc Puskas, an inside forward on the great Real team. Between them they displayed hardly a twinkle of flair all evening. Nevertheless, they slowly overpowered the lighter Juve midfield and, hunting together, smothered Zidane, the one truly creative player in either midfield.

The diminutive Del Piero, meanwhile, was flattened every time he touched the ball by either Fernando Hierro or Manuel Sanchis, Reai's center backs. The other nine Juventus players - with the occasional exception of midfielder Edgar Davids — were incapable of picking up the creative slack.

In the end, Roberto Carlos broke his

shackles, his shot ricocheted to Pedrag Mijatovic who danced past Angelo Peruzzi, the Juventus goalie, and scored.

Juventus responded like a champion. ilippo Inzaghi wasted a golden chance. Davids squirmed through the Real defense but shot straight at Bodo Illgner, the Real goalkeeper, and a curling free kick from Zidane narrowly missed the goal, but Real reasserted its control. At least 20 of the men who played on

Wednesday will be going to the World Cup. Of those, only Mijatovic, a Yugoslav, and Hierro, a Spaniard, enhanced their reputations. Del Piero, meanwhile, strained his

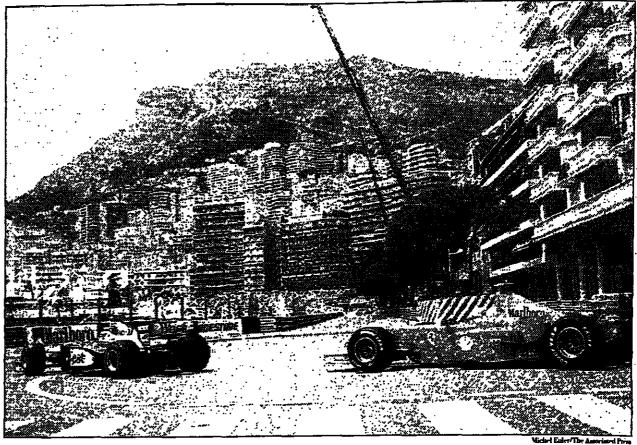
thigh and on Thursday was omitted from Italy's squad for the World Cup, although a place will be kept open for him until the final deadline on June 2. Now, while Heynckes waits to an-

swer questions on his future, the 500 million fans who watched his victory on television, wait to find out if this final, so rich in promise, so poor in content, is a portent for the greater cup to come.

Fans Fight Police in Madrid

Street battles broke out early Thursday in Madrid as Real fans celebrated their team's European Cup victory, Reuters reported.

Victory celebrations by hundreds of thousands of fans turned violent when many started throwing rocks and bottles at the police, who responded with rubber bullets and tear gas. More than 50 people were hurt, including 30 police officers, and six fans were arrested, state media reported.



Mika Hakkinen racing ahead of Eddie Irvine in a practice session Thursday for the Monaco Grand Prix.

Twin Peaks of Auto-Racing Season On Sunday, It's the Monaco Grand Prix and the Indy 500

By Brad Spurgeon International Herald Tribune

ARIS — The two most famous motor races in the world take place back to back on Sunday on two different continents. Although the cars look almost the same, the two races are a study in contrasts.

The first runs through the twisty streets of a picturesque tourist resort on an escarpment overlooking the Mediterranean Sea. Less than two hours after that race finishes, the second will be run on an oval-shaped track in a Midwestern U.S. city on flat land, with a clump of downtown skyscrapers surrounded by suburban sprawl as a backdrop.

The Monaco Grand Prix and the In-

dianapolis 500 are the two peaks of the single-seat, open-wheel racing season. But while the sport has never been more popular, a third race Saturday, the Champ Car meeting — formerly IndyCar — the Motorola 300, in Madison, Illinois, is a reminder that the sport has problems.

The Indianapolis 500 runs under the

auspices of the Indy Racing League, which was started in 1996 by Tony George, president of the Indianapolis Motor Speedway. George, 38, is the grandson of Tony Hulman who bought med it into a multimillion dollar family empire.

'Just the fact that this is the 82d running of the Indianapolis 500, and its great history and tradition, allows it to enjoy the success it does," George said. Monaco, with its history and tradition and the great names that have raced and won there in the past, has a lot of the

But in 1994, when George announced his intention to create his new series whose crown-iewel race would be the Indy 500, the people at Championship Auto Racing Teams, or CART, Indy-Car's sanctioning body, thought he was playing with history. The Indianapolis 500 had been the premier IndyCar race for over 20 years, so CART, which is still the world's top oval racing formula, decided to pull out and create its own 500-mile (800-kilometer) race in Michigan.

"The sport's domination by the Indy 500 slowed its development," said Andrew Craig, the chief executive of CART. "You had this one big race that dominated the whole year, and it wasn't very clear to the fans as consumers what

was important. Was it important to win the championship? To win the Indy 500? The Indianapolis 500 almost consumed the sport of open-wheel racing."
In 1996, CART staged the Michigan

500 at the same time as the Indianapolis 500. The older race won the battle for attention with a more exciting and dramatic race. CART has since scheduled its Michigan race later in the season. The Motorola 300 on Saturday is just another of its series of 19 races. In 1995, the last time the Indy 500 and

the Grand Prix of Monaco ran on the same day, the winner of Indy was Jacques Villeneuve, the future Formula One champion. Villeneuve grew up in Monaco and is there again this week as a member of the Williams team. He said before the 1995 Indy race that he would rather be in Indianapolis than Monaco. After that race he said, "To win it is

as big as winning the championship. If you have a choice of one race to win, make sure it's the 500." In his two races at Monaco, in 1996

and 1997, he has fared poorly. Part of the problem is the nature of the track. Villeneuve is a specialist on the kind of wide fast corners featured at Indy. Monaco favors drivers who are like slalom skiers and can negotiate the tight the Speedway in 1945 for \$750,000 and corners through the twisty city circuit.

Formula One has its own problems, and Monaco may magnify them. Five different drivers won the first five CART races this year. In Formula One, McLaren cars have won four out of the first five, lapping just about everyone. Monaco, for all it's historical glory the race started in 1929 — risks being another walkover if a McLaren gets the pole position, since the track is the best example of what's wrong with Formula One: it is hard to overtake.

Max Mosley, president of the International Automobile Federation, Formula One's governing body, said this was not a flaw. "People like this stalking, waiting, and then he goes for it." he said. 'Rather than constant overtaking. It's a little bit like the difference between soccer and basketball. You don't get goalless draws in basketball. And in most soccer matches, there's one or two goals in the whole one and a half hours. A goal is a big event. In basketball, you get more than a hundred, and it's not a big event."

At Monaco, fans usually have to wait a long time for a goal. But history shows the race is usually won by only the greatest drivers. Graham Hill dominated in the 1960s with five victories. From 1984 to 1993, only two drivers won - Ayrton Senna six times, and Alain Prost four. Since then, Michael Schumacher's winning streak there has been interrupted only by Olivier Panis's victory in 1996 in the rain.

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Whatever their problems may be, each series is inescapably international in nature. The Formula One season includes races on five continents. CART this year held its first race in Japan, and also stages races in Brazil, Australia, and Canada. IRL races only in the U.S., but most of the cars are made by the Italian company, Dallara. Most CART cars are British built. George said he created the IRL partly.

to give more chance to American drivers. Only a third of CART drivers are American, while two-thirds are American in IRL.

'There was never an opportunity for young American drivers who had come up through the ranks," he said. "It became very important for the driver to bring money. And a lot of the European and South American drivers would be able to bring money. I just wanted to create more of an opportunity, but not to the exclusion of any other drivers or of

N THE 1950s, Formula One drivers who drove at Indy gained world L championship points. George is negotiating with Bernie Ecclestone. Formula One's commercial promoter, to hold a U.S. Grand Prix at the Indy 500 track. This would mean using only part of the oval, and building the rest of the track in the infield.

The CART race Saturday will reach over 60 million viewers in 180 countries. Its races draw about 1 billion viewers annually. Formula One claims a total of 5 billion for its season. The IRL series is not a big draw, but the Indianapolis 500 will attract 110 million viewers.

The Indianapolis 500 is also a huge draw at the track, attracting close to 400,000 spectators.

Rhys Jones, a fan who lives in Indianapolis, said that local residents "see it as their civic duty to fill the stands.' Ticket sales have been down since CART's withdrawal, but that means that instead of having to pay scalpers two to three times their value, fans can get tickets when they want them.

'Which, to me, is progress," Jones

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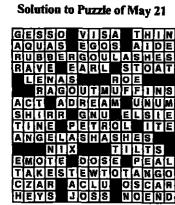
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FOR INVESTMENT INFORMATION Read THE MONEY REPORT every Saturday in the IHT.



O New York Times/Edited by Will Shortz

WORLD CUP TICKETS ALL MATCHES TOP \$ PAID FRANCE +33 (0) 6 14 93 36 06 +33 (0) 6 14 93 36 03

New York Times Service

on the last day of the league and Art Shell, a former head a larger statement about sevmeetings in Coral Gables, coach of the Oakland Raiders eral issues affecting assistant

and assistant The league had organized a coaches, upset with issues coaching symposium, but they say include race and age when it started at 8 A.M. with discrimination and the NFL a talk by Bill Walsh, a former coach of the San Francisco pension plan, staged a protest coaches held a meeting of their own outside.

Entering the symposium show the league that coaches, particularly assistants, were on the league.

cluded Ray Rhodes, the Phil- can be fired at any time. adelphia Eagles' head coach,

with the Atlanta Falcons. Both are black.

The protest planned to be over the fact that there are only three black head disgruntled coaches out of 30 in the league. Then older coaches, mainly in their 60s, wanted to take part. They claim there is a 15 minutes late, they said the bias against older assistants reason for the protest was to since less than 3 percent of all

assistant coaches are over 60. NFL assistants, despite their unified and prepared to take six-figure salaries and guaranteed contracts, say they are a The protesting coaches in- vulnerable group because they So the protest evolved into

who is currently an assistant coaches, including concerns about what they say is an ineffective pension plan.

Not everyone sympathized with the protest. The NFL's commissioner, Tagliabue, was especially harsh, saying it "bordered on silliness because we're well! aware of their issues."

'We've been talking to them, more than talking to them - we've changed a number of policies."

The owners also approved a limited return of the instant replay. It will be used in 11 nationally televised exhibition games this season.

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SPORTS

All's Calm As Yankees **Again Beat** The Orioles

The Associated Press There was calm after the storm at Yankee Stadium.

One night after a wild brawl between the Yankees and Orioles, both teams were on their best behavior in New

York's 9-6 victory over Baltimore. Three batters were hit by pitches Wednesday night, but all took their

RASEBALL ROUNDUP

bases without incident as the Yankees handed the Orioles their seventh suc-

"I think everybody thought, 'Turn the page, yesterday doesn't count." said Joe Torre, the Yankees' manager. Before the game, Torre and the Orioles' manager, Ray Miller, spoke to their teams about getting over Tuesday night's brawl, which resulted in the suspension of five players.

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Derek Jeter tripled, doubled and singled, and Tim Raines drove in three runs as the Yankees roughed up a former teammate, Jimmy Key, and won their fourth straight. Scott Brosius homered and Jorge Posada doubled twice for New York.

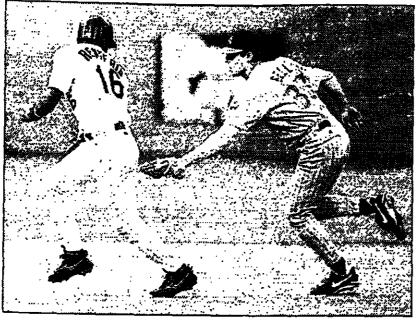
Hideki Irabu (3-0) allowed two runs in six and a third innings to give him a major league-leading 1.40 earned run average after six starts.

Armando Benitez, an Orioles relief pitcher, was suspended for eight games for intentionally throwing at Tino Martinez on Tuesday night.

Darryi Strawberry and Graeme Lloyd of the Yankees were suspended for three games each by the American League for overly aggressive behavior, fighting and prolonging the violent incident" in the brawl that erupted after Benitez hit

Alan Mills of the Orioles and Jeff Nelson of the Yankees were suspended two games each.

Red Sox 6, White Sox 2 In Boston, Pedro Martinez scattered four hits over seven innings to improve to 5-0 and Mo



Edgar Renteria of the Marlins trying vainly to escape a rundown.

Vaughn hit his 12th homer for the Red

Blue Jays 9, Devil Rays 1 Jose Canseco hit one of four Toronto home runs and Pat Hentgen pitched eight strong innings for the Blue Jays.

Indians 14, Royals 5 Kenny Lofton drove in a career-high five runs and Travis Fryman homered, singled and doubled for Cleveland at Kansas City.

Tigers 12, Twins 11 Damion Easley hit a pair of two-run homers and drove in six runs as Detroit came back from an 8-

Rangers 8, Mariners 7 Lee Stevens hit two homers and Texas took advantage of another collapse by Seattle's bullpen to rally from a six-run deficit in Arlington. Seattle's Alex Rodriguez hit a pair of

homers to give him a league-leading 18. Angels 5, Athletics 4 Darin Erstad homered and drove in three runs, and Tim Salmon added a two-run shot as Anaheim beat visiting Oakland.

In the National League: Cardinals 8, Phillies 5

Mark McGwire, the major leagues' home-run leader, took a day off and his replacement at first base belted two

Gary Gaetti, normally a third baseman, hit a pair of two-run homers as St Louis won in Philadelphia. Gaetti had hit just two home runs in his first 130 at-bats. McGwire, whose three homers Tuesday night gave him 20, took a scheduled

night off. three runs and we'll have a staff meeting and see if he deserves to play tomorrow, Tony La losing streak.

Russa, the Cardinals' manager, joked afterward.

> Greg Vaughn hit a two-run homer and Sterling Hitchcock pitched his best game since he rejoined the starting rotation as San Diego earned a split of a

doubleheader in Pittsburgh. In the opener, Francisco Cordova shut out the Padres until the ninth inning and San Diego's shaky defense led to a four-run sixth inning for the Pirates.

Cubs 5, Dodgers 0 Kevin Tapani pitched a three-hitter and Henry Rodrig-uez hit his 10th homer as Chicago moved nine games over .500 for the first time since 1995.

Astros 4, Expos 3 Derek Bell hit a tiebreaking single in the ninth inning as Houston won at Montreal.

Diamondbacks 7, Martins 3 Matt Williams capped a six-run fifth inning with a grand slam as Arizona spoiled Mike

Piazza's home debut for Florida. Piazza, given the night's biggest ova-tion by the crowd of 17,560, singled in

Braves 5, Rockies 1 Michael Tucker hit a two-run homer in the first inning to help Kevin Millwood (6-1) to victory. Giants 4, Browers 2 Orel Hershiser

pitched seven strong innings for his third consecutive victory and contributed two singles to lead San Francisco to a victory on the road. Reds 8, Mets 6 Ed Taubensee batted in

three runs and Lenny Harris drove in two as Cincinnati snapped a four-game

A Rare, and Dangerous, Apology

How Will Orioles React to Manager's Soft Words to Yankees?

By Thomas Boswell Mushington Post Service

EW YORK — Ray Miller has taken his first step toward defining himself as the Bal-timore Orioles' manager. With every television camera in New York trained on him, Miller apologized to Tino Martinez and the New York Yankees for Tuesday night's brawl here, incited by an Orioles beamball

You don't see that every day. Or every decade.

When was the last time a Washington Redskins coach said, "I'm very sorry" to the Dallas Cowboys? What next? Will Pat Riley call the Knicks to say, as Miller did to the Yanks, "I hope they 'll be able to respect us."

How many melees has Yankee Stadium seen since Babe Ruth's day? How many times has an angry young pitcher with more passion than judgment watched a Yankee home run disappear into the upper deck and responded by drilling the next New York hitter in the back with a fastball? How often have the benches cleared and a few havmakers landed on chins?

A game-breaking home run, followed by a cowardly, dangerous retaliation and a donnybrook is an ugly baseball sequence. But in 130 years, nobody's figured out how to stop it. The scene recurs, like a grisly ritual, in various parks each season.

How often, however, does a manager apologize to his team's rival and put full blame on his own pitcher - in this case. Armando Benitez. Miller made that stand Wednesday, one which is as dramatic and dicey - for him - as any knockdown pitch.

How will his team take it? As an act of principle, which it was? As an act of weakness? Or betrayal of team solidarity? Will Benitez become a club scapegoat? Will a collapsing last-place team that risks saying, "We're sorry," sink

even lower? Or will they band together? The preliminary results, please. The Yankees blasted the Orioles again on Wednesday night, scoring nine runs off Jimmy Key in a 9-6 victory. That's seven straight Baltimore losses and 23 defeats in 33 games. The Orioles trail

games above them.

If nothing else, Miller has his high standards to keep him warm. For 20 years, Miller has been consistent in his views on violence. No beanballs -- ever. Retaliation, while sometimes necessary, should never be near a batter's head.

VANTAGE POINT

But, if a brawl starts, protect your mates. So he said in public what he's always said in private. And he didn't care who liked it or what price he might pay.

"I issue a full apology to Tino Mar-tinez in particular and the Yankees in general." Miller said Wednesday, after learning that Benitez had been suspended for eight days for inciting a baseball riot. "When a very, very immature young kid loses control, he doesn't represent the rest of us in this organization. "This 'I can't beat you, so I'll hurt you,' has no place in baseball. That's an

important issue in sports. 'It wasn't a very smart thing to do," said Miller, gening more somber as he

Miller explained that, starting with manager Earl Weaver in the 1960s, the Orioles had always "retaliated" when other teams went beyond the game's unwritten rules but had "never" the initiators of beanballs or brawls. To illustrate, he cited Alan Mills, who was also suspended for two days for decking Darryl Strawberry with a running

roundhouse right to the mouth. "I feel bad that Alan Mills got suspended," Miller said. Referring to the American League president. Gene Budig, Miller said he told him that when somebody [Strawberry] runs into your dugout and punches one of your players in the back of the head, you're supposed to defend your teammates. That's as cowardly as throwing at some-

"If you want to fight somebody, square off. Alan squared off and took care of business. He did it very well. I'm proud of him for that."

To those outside baseball, the distinction between a punch in the mouth and a fastball in the back may be so comically small as to call into question the intellects of all those involved in the the Yankees by 13 games, 16 in the loss activity. To those in the game, however.

column. Even the wild-card spot is 81/2 the former is an act of honor while the later is the definition of dishonor.

Benitez, who claimed he did not hit Martinez on purpose, did not come to Yankee Stadium on Wednesday. However, several Orioles spoke of him almost as bitterly as the Yankees. New York's Paul O'Neill said, "a lot of their players probably feel the same way about him that we do.

Three years ago, Benitez did exactly the same thing to Martinez, hitting him with the first pitch after allowing a home run to the previous hitter. The Orioles were so disgusted that they sent Benitez

back to the minors.

"It was kind of demoralizing and embarrassing to me," said the Orioles' pitching coach, Mike Flanagan, of the incident. "We had just played the best seven innings of baseball that we'd played in five weeks. The mood of this club was changing. The bench was up and alive and battling.

"You can't get around it. What he did was had, And what timing. That was our

was bad. And what timing. That was our first game with New York" of the season. "Now, we are not going to have one easy game with them this year. And maybe next year. And maybe the year

after that, too." Said the Yankees' O'Neill: "I don't think it's over. You can't forget something like that. That's as blatant as I've ever seen. We'll use it as incentive to continue to go after them."

The Orioles will be tempted to make Benitez the scapegoat for their troubles. He's always been a socially ill-at-ease young player from a poor Dominican background with a slim command of English. He has enormous talent, a temper, a haughty bearing and takes both instruction and teasing poorly.

Benitez also gave up three game-losing hits to the indians in the playoffs last year. So, he's an easy target for the Orioles' failure to reach a very winnable World Series last fall.

For the Orioles as a team, this is likely to be a turning point. Miller, with no managerial accolades in his past, has had a light grip on this group of rich old stars. Who is he really? What does he stand for? How far can you push him? What do you have to do to make him

Now, they know

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8. Angel Edo. Spain. Kelme, s.1.
9. Gobriele Missaglia, Italy, Mapei, s.1.
10. Zbigniew Spruch, Poland, Mapel, s.1.

OVERALL: 1. Michele Bortoll Italy, 23 hours 41 minutes and 26 seconds; 2, Sergei Gordchar, Ukraine, Cantina Tollo at 3 s.; 3. Piccoll at 11 s. 4. Marco Velo, Haly, Mercatone Una at 15; 5. Alex Zulle, Switzerland, Festina s.t.: 6. Juan Carlos Dominguez, Spain, Vi-

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TENNIS WORLD TEAM COP

BLUE GROUP **GERMANY 2. FRANCE 1** Cedric Pioline, Fr., det, Nicolas Kiefer, Ger. 7-6 (7-4), 6-4: Thomas Hoas. Ger., def. Fabrice Santon, Fr., 7-5. 6-2; Beris Beck-er/David Prinasil, Ger., def. Fabrice San-

ra/Olivier Delatire, Fr. 6-3, 6-4 nuera, Sa., 7.5. 6-4: Karol Kucera, Slavakia,

Carlos Moya, Sp., 4-6, 6-3, 7-5; Karal Kucera Slovakia, rief Carlos Mova, Sp., 4A, 6-3, 7-5 ST. POELTEN GRAND PRIX THURSDAY IN ST. POBLITEN, AUSTRIA QUARTERFINALS Andrea Goudenzi (4), Italy, def. Francisco Clavet (6), Spain 6-3, 6-4; Vince Spodea (4),

U.S., def. Sjeng Scholker, Netherlands, 7-6 (7-31-51).
Marcela Filippini, Uruguay, def. Thomas Muster (3). Austria, 6-3-6-4; Marcelo Rios (1), Chile, def. Galo Blanco (7). Spain. 6-2-6-2.

STRASBOURG INTERNATIONAL

Nagyoro (8), Slovakia, 6-4 o-2: Julie Hatard-DeCugis, France, def. Amanda Coetzer, (1), S. Africa, 7-6 (7-3) 6-2: Elana Likhoviseva.

TRANSITIONS

Baseball

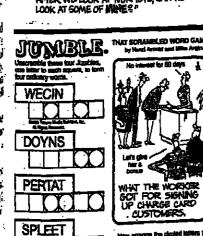
AMERICAN LEAGU Benitez 8 games; N.Y. Yankees L.H.P. Groome Lloyd and O.F. Darryl Strawberry 3 games, and N.Y. Yankees R.H.P. Jeff Nelson and Bal-

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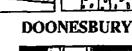
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Celtic Music Meets Pop

By Anthony DePalma
New York Times Service

ANCOUVER, British Columbia — "Newfoundland" rhymes with 'understand," and no one does, at least not in the eyes of band, all from Newfoundthe people who live in what is land, play acoustical and trasurely one of the most iso- ditional instruments, includ-North America.

To other Canadians, Newfoundlanders - with their penchant for munching cod tongues and living in places like Come by Chance — are fair game for cheap laughs and petty put-downs, a staple

of television comedy. and the broguish accents there is a quirky, durable island. usually called just The Rock. a rigorous style. Some of the It's a tough place, especially since the cod disappeared a few years ago. Instead of silvery fish, now it's oil that is pulled from the sea.

But one aspect of New-foundland life that has remained constant is the music. a traditional blend of folk ative of Newfoundland as songs and Celtic melodies, The pubs of St. John's, the fornia. capital, continue to produce fine groups, and none have their biggest challenge as they had more success recently than Great Big Sea, a band that combines the traditional music of Newfoundland with a modern pop beat.

The band has had wide appeal. For the last three years it has been named "entertainer of the year" at Canada's East Coast Music Awards. Its first two major-label compact disks, "Up" and "Play," have each sold about 200,000 copies — huge amounts in for the band to cross over into Canada's

small market. On June 2, the group will canada. But he added: "One release its first U.S. recording, "Rant and Roar," on Warner Brothers' Sire label. You need only hear them once, It will also tour coast to coast

in June, opening for Sinead O'Connor and the Irish group the Chieftains. It will play the Guinness Fleadh, a festival of Gaelic music in New York

City, on June 13. The four young men of the lated and eccentric places in ing the mandolin, the squeeze box (accordion) and the bodhran (a goatskin drum).

Alan Doyle, 28, the group's husky-voiced lead vocalist, described Great Big Sea as a 1990s contemporary band that plays traditional Behind the funny facade Newfoundland music, The sound is an offbeat mix of folk and pop music played in recordings are new compositions that echo melodies of the old sea chanteys; about half are traditional tunes

juiced with pop. The songs on the band's recordings, which celebrate life on the sea, are as evocwere the Beach Boys of Cali-

And that, the lads agree, is gear up for their U.S. tour.

"In our experience and in a lot of other Canadian artists' experience, Americans don't think of Canada as the place where really cutting-edge and exciting music happens," said Bob Hallett, 29, who plays the squeeze box.

Steven Savoca, who handles Great Big Sea for Sire Records in New York, said he expected it to be more difficult comparatively mainstream music in the United States than it was in

Where's the Art? Where's the Adrenaline?

By Janet Maslin New York Times Service

CANNES — Sundance grads, pedophiles and dogmatic Danes dominate the cinematic landscape here. And all around this uncharacteristically quiet town, tails drag. The combined effects of art and adrenaline have yet to kick in at this year's Cannes International Film Festival, And the event has only until Sunday's closing-night ceremonies to make its mark.

Though a few very good films — in-French director, Erick Zonca; Hal Hartley's skewering the bourgeoisie is Cannes's fabig, audacious "Henry Fool"; "The General," the best film in many years from John Boorman, about a rascally Irish thief; and incongruously in Von Triers's film. Todd Solondz's poison-tipped "Happiness" - will manage to emerge from this year's

CANNES FILM FESTIVAL

lineup, it's the letdowns that prevail. Like Wednesday's cancellation of the gala screening of a restored "Touch of Evil" (over fiscal difficulties with Orson Welles's daughter), which prompted someone working on the event to wail "We're the 'Kurt and Courtney' of Cannes!" That film was a sudden no-show earlier this year at the Sundance Film Festival.

At least there's an early winner in the New Garbo sweepstakes: Lars Von Trier, the director of "Breaking the Waves." Famously phobic, he enhanced that legend in 1996 by getting halfway here to introduce that film, then abandoning the trip. This year he successfully made the pilgrimage but skipped his own news conference, which was at-tended by the cast of his film, "The Idiots." Later in the week, he will hold forth at the exclusive and exorbitant Hotel du Cap d'Antibes, just the way Arnold Schwarzenegger and Sharon Stone do.

That's an interesting venue in light of Dogma 95, the attention-getting manifesto that for all its lofty principles plays like a press agent's dream. In this document, several Danish directors take a stylistic "vow of chastity," promising to return filmmaking to a purer style by eschewing weapons, special effects, soundtracks, conventional genres

and even props and lighting.

Directorial credit is also forsworn, although the Dogma 95 group has indulged in a handsome color catalog for "The Idiots"

and large red envelopes that reprint the original statement. Here in Cannes, where Boy George just touched down to announce a new project, this qualifies as serious business.

And there are two films in competition exemplifying the raw, vertiginous style in question: "Festen" (The Celebration), from Thomas Vinterberg, and "The Idiots" itself, in which Von Trier imagines a collective of good-looking young provocateurs who pre-tend to be mentally handicapped as a way of challenging bourgeois attitudes. In addition to the preponderance of films involving sexucluding "La Vie Revee des Anges" (The al abuse of children (Vinterberg's, about a Dream Life of Angels) from a first-time turnultuous family reunion, is one of them),

> Exactly what does "The Idiots" mean to communicate? Well, in the filmmaker's printed statement: "In film it's the village idiot who knows, and the man who knows who doesn't know. But what if the idiot isn't a real idiot (i.e. just an idiotic idiot)? Does that make him the man who knows who knows less, or the idiot who knows more; or the idiot who knows less or the man who knows who knows more? Probably none of the above, but it's fun to pretend otherwise.' Though the visual styles of both films can depart from and even eclipse their subjects. the Dogma affectations will be justly famous for their full 15 minutes this year.

> Another film that has excited the interest of the European press is Nanni Moretti's "Aprile," though the filmmaker's charming complaints that he has nothing to make a film about are this time too easy to believe. (The subjects here, none too easily interwoven, are Italian politics and the birth of Moretti's son, who becomes an instant prop.)

> By contrast, a tepid reception greeted Hartley's "Henry Fool," though this breakthrough film is the most energetic and farreaching work he's done. Long known for clever, mericulous absurdism in Long Island settings, Hartley this time throws a couple of creative archetypes together in Queens and spins forth an archly hilarious comedy of art. commerce and friendship. Even audiences unmoved by earlier, more affectless Hartley films should be astonished by this one.

'Henry Fool'' concerns a misfit garbage man named Simon Grim (played by James Urbaniak, who as Hartley points out has "that early Sam Beckett look") and the title character, a grandiose self-styled literary fig- American accent) as a prostitute trying to version really translates here.

Brendan Gleeson, center, stars as a thief in John Boorman's "The General,"

ure. It's about what happens when Henry pay off a debt and change professions, persuades Simon to start writing poetry, and when Simon's (unseen) words start changing his little world (which is brightened considerably by Parker Posey, playing Simon's

plored here, as are Hartley's droll observations about publishing, politics, religion and other major matters that widen the film's range. Thomas Jay Ryan, who plays Henry, and Urbaniak are forceful, visually striking new heights of the unspeakable when a labstage actors who make themselves perfect oratory rat casts a strange influence over their embodiments of the filmmaker's thoughts.
"Henry Fool" leads a U.S. contingent of

much in evidence this year. The chilly, uninflected style of Lodge Kerrigan ("Clean, Shaven") remains stony in "Claire Dolan," with Katrin Cartlidge (speaking in a flat, seen how well this U.S. indie style of sub-

Contrasting graphic sexual episodes with stiff, dispassionate dialogue, it won't help popularize a neo-Sundance esthetic on a global scale. On the other hand, there's a strain of slatternly sister).

The dynamics between mentor and protégé, between real artist and fraud, between real and perceived worth are elegantly explored here, as are Hartley's droll observed. series this year). In this determinedly shocking comedy (which, like Solondz's "Happiness," is much too evilly funny for the main

competition), a squeaky-clean family reaches

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once-happy home. "Henry Fool" leads a U.S. contingent of deadpan independents whose presence is Grisham's "Rainmaker" is called "L'Idealiste" and a female character from the gonzo "Fear and Loathing in Las Vegas" is referred to as la gonzesse. But it remains to be

START spreading the news: The Big Apple is considering paying tribute to Frank Sinatra by making "New York, New York" the city's official song. The council speaker, Peter Vallone, said he would introduce legislation that would make the song the city's own. "Sinatra's great voice," he said, "will be heard by generations of New Yorkers as they listen with pride to their city's anthem."

A Paris civil court found the newspaper France-Soir guilty of defamation and invasion of privacy after it printed two articles alleging that the actor Robert De Niro was involved in a Paris prostitution ring. The daily was ordered to pay De Niro 80,000 francs (\$13,400) in damages. De Niro vowed never to set foot in France again after being taken in by the police in February for a nine-hour interrogation as a witness in an inquiry into a call-girl ring.

Tommy Lee was sentenced to six months in jail for kicking his wife, the actress

PEOPLE

West Heath School in Sevenoaks, Kent, which closed last year through lack of funds. The Egyptian-born businessman plans to turn it into a school for traumatized children that would be a "living memorial" to Diana and Dodi.

The Liverpool home where Paul McCartney lived as a teenager before finding fame with the Beatles will be inaugurated in July as a museum. Visitors will be able to watch a television with programs of the 1950s, see family photos taken by McCartney himself, and even have a look at the outside loo.

Luciano Pavarotti has been cleared of allegations of tax evasion. Italian authorities had investigated to determine whether the tenor, who resides in Monte Carlo, failed to pay taxes on \$5.7 million in earnings over a two-year period,

Antiquities Are Being Looted in Nigeria

New York Times Service years, Nigeria's news agency reports. Yaro Gella, director general of mu-

stolen in break-ins at six museums. smuggle out artifacts.

"This does not include objects tha LAGOS — Antiquities valued at were looted from archaeological and more than \$200 million have been stolen historical sites," he said, "as well as from Nigerian museums in the last five individual and family holdings, whose market value over the years may run into billions of dollars." He accused seums and monuments, said the sum unnamed members of the diplomatic represented the value of 95 works corps of using their privileges to





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